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SED-SPD Joint Security Policy Group Meets

LD2311112188 East Berlin ADN International Service in German 1628 GMT 22 Nov 88

[Text] Berlin (ADN)—The SED-SPD joint working group on security policy issues in Europe continued its work in Berlin today under the chairmanship of Hermann Axen, member of the Politburo and secretary of the SED Central Committee, and Egon Bahr, chairman of the Subcommittee for Disarmament and Arms Control in the German Bundestag and member of the SPD Presidium.

The joint working group believes that now that a start has been made to nuclear disarmament, the disarmament process should be continued dynamically. The group reaffirms its demands for a start to separate negotiations on reduction or elimination of nuclear weapons having a range below that of the intermediate-range missiles in the agreement and for an early start to negotiations on conventional disarmament in Europe. It emphasizes that measures for even more far-reaching nuclear disarmament must not be postponed until the questions of conventional disarmament have been clarified.

The working group rejects all attempts to compensate for or to circumvent the agreement on intermediate-range weapons through so-called modernization and thus endager further-reaching disarmament steps.

Particularly important for peace and world security are the halving of the strategic offensive weapons of the USSR and the United States with strict observance of the ABM Treaty, a complete halt to nuclear tests and a worldwide ban on chemical weapons.

The joint working group underscores its conviction that the initiatives of the two German states would promote the process of disarmament and detente and that they accord with their responsibility. It reaffirms its three initaitives: the establishment of a chemical weapons-free zone, of a nuclear weapons-free corridor, and a zone of trust and security in central Europe. In light of the stagnation at the Geneva negotiations concerning a worldwide ban on chemical weapons, the joint working group strongly recommends that the proposal for chemical weapons-free zone in Europe be accorded added urgency.

The working group welcomes the even more precise defintions proposed in the statement by the foreign ministers of the Warsaw Pact states on confidence and security-building measures and disarmament in Europe for the reduction of confrontation and mistrust, the overcoming of deterrence, and the development of dialogue and cooperation.

During its eighth meeting, the working group continued its discussion of questions concerning nonoffensive capability and the achievement of the lowest possible level of conventional arms through disarmament and the mutual elimination of existing imbalances.

The working group agreed to continue its work in Bonn in the spring of 1989.

Kessler, Bahr Press Conference

LD2311121988 East Berlin Voice of GDR Domestic Service in German 1705 GMT 22 Nov 88

[Press conference by GDR Defense Minister General Heinz Kessler, member of the Politburo of the SED Central Committee, and Egon Bahr, chairman of the Bundestag Subcommittee for Disarmament and Arms Control and member of the SPD Presidium; in East Berlin, 22 November; questions asked by unidentified correspondents—recorded]

[Text] In Berlin today, there was an informative talk between Army General Heinz Kessler, GDR minister for national defense and member of the Politburo of the SED Central Committee, and the members of the SED-SPD joint working group, who are concerning themselves with questions of security policy in Europe. The GDR defense minister explained the content of the military doctrine of the Warsaw Pact participant states, the fundamental views of the GDR Army leadership on disarmament and detente in Europe, and the development of military-political relations between the GDR and the FRG. He stated to the press in conclusion:

[Begin recording] [Kessler] It was a very fruitful, useful talk. The topic was how best to contribute jointly to the securing of peace and to the taking of effective disarmament measures. We dealt with the whole spectrum presently being debated at the Vienna negotiations in that we included in the main topic—that of conventional disarmament—everything that should be included. Mr Bahr and I agreed that both sides must make their respective contributions and, to be sure, will make them. This will also be more or less the main thrust of the discussion—as I hope it wil be in any case—with the FRG defense minister.

[Bahr] I expressed to Minister Kessler my great satisfaction that after the 18 years of talks I have had in and with the GDR, the time is now ripe. It is also necessary to speak objectively with the GDR defense minister. In fact, I will have something to report to Mr Scholz concerning this talk and I will want to report this. It is no secret that I believe it to be important and necessary that a meeting between the two defense ministers take place soon. They have much to discuss with each other, for it is beyond doubt that the two German states have quite unique tasks to perform in order to take the process of European stability and conventional disarmament to a lower level.

[Kessler] We discussed all questions, and actually there is a unified view on the fact that it is not sensible or expedient to compensate for a process already in motion by means of another measure.

[Bahr] I believe it is unarguable; the idea of compensation means the death of disarmament as a whole. If you compensate for everything you get rid of, you do not get rid of it after all, do you?

(Correspodent] May we ask Mr Axen [words indistinct]?

[Axen] Yes, it says in today's press release, which already has been published, that the talks passed in a very constructive, objective atmosphere, that they are a step forward because we have come to know each other; we can understand each other because we can mark out the areas of questions, the complexes of ideas in military disarmament. Many [word indistinct] are already asking themselves now how we can clarify the further steps, the necessity for further steps. We thought that this meeting of the working groups' eighth session, particularly the informative talk Defense Minister Comrade Heinz Kessler had with the working group, was extraordinarily constructive and that it pointed the way toward the future. [end recording]

Kessler Meets SED-SPD Group

AU2511103488 East Berlin NEUES DEUTSCHLAND in German 23 Nov 88 pp 1, 2

[Excerpt] East Berlin (ADN)—An informative talk was held in Berlin on Tuesday [22 November] between Army General Heinz Kessler, GDR minister of national defense and member of the SED Central Committee Politburo, and members of the joint SED - SPD working group that deals with questions concerning security policy in Europe.

The GDR defense minister explained the content of the Warsaw Pact military doctrine and the fundamental views of the GDR Army leadership on disarmament and detente in Europe, and spoke about the development of military-political relations between the GDR and FRG.

Egon Bahr [chairman of the Subcommittee for Disarmament and Arms Control in the FRG Bundestag and member of the SPD Presidium], head of the SED delegation, elaborated on his party's views on desirable negotiations on conventional and nuclear stability in Europe. In this connection, an exchange of experiences on the role of the two German states was held.

During the meeting, which proceeded in a businesslike and constructive atmosphere, Defense Minister Heinz Kessler answered questions of members of the working group.

After the talk, member of the SED Central Committee Politburo Hermann Axen, Heinz Kessler, and Egon Bahr answered questions of the international press. Asked about the responsibility of the two German states for the disarmament process, Heinz Kessler stated: Mr Bahr and I agreed that both sides must and will make corresponding contributions, and I hope this will also be the main topic of talks with the FRG defense minister. [passage omitted]

GDR Army Officers To Inspect FRG Maneuvers

LD2811102588 East Berlin ADN International Service in German 0935 GMT 28 Nov 88

[Text] Berlin (ADN)—A group of officers of the National People's Army led by Colonel Klaus Haase, travelled to the FRG for an inspection on Monday morning. It is to inspect operations by Bundeswehr troops at an exercise in the Bremen, Uelzen, Brunswick and Osnabrueck regions.

According to the stipulations of the document of the Stockholm Conference on Confidence and Security-Building Measures and Disarmament in Europe, the GDR government on Saturday submitted to the FRG a request for an inspection. This was granted within a 24-hour period.

Bulgaria Announces 'Maritsa 89' Army Exercise

AU2211193488 Sofia BTA in English 1843 GMT 22 Nov 88

["Maritsa Military Exercise in 1989"—BTA headline]

[Text] Sofia, November 22 (BTA)—Bulgaria has circulated through diplomatic channels a schedule of its military activities subject to prior notification under the European Security and Cooperation Agreement signed in Stockholm in 1986. The only manoeuvre involving more than 13,000 men, 300 tanks or 200 aircraft take-offs which the Bulgarian People's Army intends to hold in 1989 is an exercise codenamed "Maritsa'89", engaging one mechanised infantry division and one tank brigade, undermanned, totalling approximately 13,000 men. The six-day command-post military exercise, due to take place in the second half of August 1989, is designed to practice staff-and-troop management and interaction in the field.

Observers To Attend Swiss Military Exercise

LD2011031588 Prague CTK in English 1707 GMT 19 Nov 88

[Text] Prague Nov 19 (CTK)—Czechoslovak observers will be present at the Swiss troops joint exercises codenamed Feuerborn, due November 20-24, in harmony with the document of the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe, it was announced here today.

Relations With Hungary Raised to Ambassadorial
AU2511194788 Tirana Domestic Service in Albanian 1900 GMT 25 Nov 88

[Text] The Governments of the People's Socialist Republic of Albania and of the Hungarian People's Republic agreed to raise diplomatic relations between the two countries to the rank of ambassadors.

Yugoslav Envoy Visits Macedonian Minority
AU1911152888 Tirana ATA in English 1042 GMT 19 Nov 88

[Text] Tirana, November 19 (ATA)—Novak Pribicevic, the ambassador extraordinary and plenipotentiary of the SFR of Yugoslavia in Tirana, visited the agricultural cooperative of Liqenas, Korce District, where a Macedonian minority works and lives. There, he got acquainted with the development and achievements of this economy and attended a class in the lower cycle of the eight-form school, where the lesson is given in the Macedonian language and in the Albanian language. The pupils of this school recited and sung [as received] in the Macedonian language. He also visited the united middle school, the hospital of the zone, the house of culture, and a cooperativist family. In the course of this visit he expressed positive considerations on the achievements in agriculture and livestock, education, culture, and health service, and appreciated the way of conducting classes in the Macedonian language.

On this occasion he also visited the city of Korce, where he met with the chairman of the executive committee of the district people's council, Gjergji Krastafillaku.

Malile Attends SFRY Embassy Reception
AU2611143088 Tirana ATA in English 0740 GMT 26 Nov 88

[Text] Tirana, November 26—On occasion of the National Day, the ambassador extraordinary and plenipotentiary of the Socialist Federal Republic of Yugoslavia to the People's Socialist Republic of Albania, Novak Pribicevic, gave on November 25 a reception at the embassy seat.

The reception was attended by the minister of foreign affairs, Reis Malile; the minister of transportation, Luan Babameto; and other invitees.

Present were also heads and functionaries of the diplomatic representations accredited to the People's Socialist Republic of Albania.

Creation of New Palestinian State Hailed
AU1911130788 Tirana ATA in English 1058 GMT 19 Nov 88

["We Hail the Creation of the New Palestinian State—Article of the Newspaper 'ZERI I POPULLIT'"—ATA headline]

[Text] Tirana, November 19 (ATA)—On November 15, the session of the Palestinian National Council, which proclaimed the creation of the new independent state of Palestine wound up its proceedings in Algiers. The Albanian people and their government, who have supported the struggle of the Palestinian people at every moment, hailed the creation of the new Palestinian independent state, the journalist Sulejman Hasani writes in the newspaper ZERI I POPULLIT.

The proclamation of the Palestinian independent state is a logical consequence of the protracted and heroic struggle the Palestinian people have waged for several years to realise their legitimate rights against the imperialist-zionist aggressors. In particular the nearly one year-long revolt of the Palestinian population within the occupied territories has its impact. A direct consequence of the revolt in the occupied territories was the proclamation by King Husayn of Jordan of severing all the legal and administrative links with the West Bank and Gaza Strip. This action created a new situation for the PLO and the Palestinian people. The PLO was faced with the duty to become master of all the problems linked with the occupied territories. The creation of the Palestinian state and the great international support given to it, is putting in difficulty the U.S. and Israeli policy in the region. Therefore, the United States will continue its political anti-Palestinian maneuvers in cooperation with the other superpower, the Soviet Union.

The proclamation of the Palestinian new independent state is an historic victory for the Palestinian people. But a long road for the realization of all their legitimate rights lies ahead.

FRG's Von Weizsaecker Continues Visit

Zhivkov Gives Dinner

AU2311151588 Sofia RABOTNICHESKO DELO in Bulgarian 22 May 88 p 6

[Text] Todor Zhivkov, chairman of the State Council, gave an official dinner at the Boyana Residence in honor of FRG Federal President Dr Richard von Weizsaecker and his wife. Comrades Georgi Atanasov, Milko Balev, Ognyan Doynov, Petur Mladenov, Petur Tanchev, Andrey Lukanov, Georgi Yordanov, as well as Stanko Todorov, chairman of the National Assembly, and government members attended the official dinner.

The officials accompanying the FRG president were also among those present.

Zhivkov Toast at Dinner

AU2311153088 Sofia RABOTNICHESKO DELO in Bulgarian 22 Nov 88 pp 1, 6

["Toast by Todor Zhivkov," chairman of the State Council, at official dinner given in honor of visiting FRG President Richard von Weizsaecker on 21 November at the Sofia Boyana Residence]

[Text] Esteemed Mr Federal President, esteemed Mrs Weizsaecker, ladies and gentlemen, comrades, at the beginning of this evening, which is expected and hoped to be a pleasant one, I would like to express my satisfaction that today it is our turn to act as hosts for our welcome and highly esteemed guests from the FRG.

Nearly a year and a half has elapsed since our talks in Bonn, and we remember with great pleasure the happy days spent in your country. Within this period, we accomplished many important and difficult tasks in connection with implementing the agreements we reached during our meetings with you, with Federal Chancellor Helmut Kohl, and with other political, public, and economic leaders of your country.

A series of agreements dealing with the establishment of joint enterprises, joint investments, with the training of Bulgarian cadres in marketing, with modern technological and scientific transfer, and other subjects are being implemented, or are in the process of preparation.

Our mutual relations in the cultural sector are being intensified and expanded, to which the recently signed agreement on the opening of cultural institutes in Sofia and Munich will also contribute.

I would like to express our gratitude for your personal participation in the opening of the Bulgarian Culture Week in the FRG.

The new realities of our contemporary world require new, more extensive and dynamic forms of cooperation in all spheres.

We are gratified to state that our two countries are already successfully implementing these forms of cooperation.

Your present visit, Mr Federal President, is the continuation of a traditional and necessary dialogue. I am convinced that it will give substantial impetus to the dynamically developing relations between the People's Republic of Bulgaria and the FRG.

This is confirmed by our present-day talks which, and I am convinced you will agree with me, have been distinguished by a realistic approach, a sense of historic dimensions, and optimism, demonstrating our aspiration to intensify and consolidate our mutual relations.

We share the opinion that the traditionally good relations between the People's Republic of Bulgaria and the FRG can serve as an example of peaceful and fruitful cooperation between two countries belonging to two different social systems. This is a gratifying fact, but also a commitment.

A new, historic way of thinking has emerged in our world today, which is transforming this world as a whole. History is now providing the greatest opportunities for fundamental changes in our present world.

We are part of this world, in which we are expected to live together. Every one of us may have his own idea on how the world should look, but the fact is that we have to build it up with joint forces. We all wish this world to be a better and more sensible one, a world in which the survival of all nations and the further development of human civilization should be guaranteed.

We are profoundly convinced that during our meetings and talks we should place emphasis on the common problems of the present and future world, upon promising achievements, upon advanced cooperation in all spheres, which requires new structures and a new meaning for present-day international relations.

Great progress requires great efforts. To give history a new orientation—this is the present task of all countries, great and small.

Mr Federal Chancellor, ladies and gentlemen, the international situation today is characterized by new dynamics in East - West relations. We are confronted with activities which really contribute to the consolidation of the international atmosphere. The idea of a growing variety and mutual interdependence in the world is also asserting itself. The results of this process are evident, the danger of a world conflagration is already dwindling.

As a result of greater historical maturity and a growing sense of responsibility on the part of governments, political parties, and movements on the international scene, new political thinking is increasingly making

headway. This is a positive philosophy for the solution of problems that affect all mankind, a philosophy that confirms the values shared by all human beings.

We enthusiastically welcomed the historical INF Treaty signed in Washington. At the same time, we are convinced that this is only the beginning of a long, vitally important process which concerns all mankind, a process whose further stages are already being mapped out, such as limitation of strategic offensive weapons, prevention of the arms race in space, the complete and comprehensive banning of nuclear tests, complete elimination of chemical, nuclear, and other types of mass destruction weapons, and the reduction of military expenditures.

We fully share the view that negotiations on reducing conventional arms and armed forces in Europe should start promptly and be conducted at accelerated rates. In this context, we also support Mikhail Gorbachev's proposal on a "European Reykjavik."

It is a gratifying fact that previously unsuspected opportunities have opened up in connection with the solution of complicated regional conflicts. We would like to point out with satisfaction that UN activities are becoming increasingly intensified and this organization is trying to fill the role assigned to it as an instrument of guaranteeing world peace.

It is our opinion that the world needs serious consideration and discussion on questions of humanitarian cooperation.

There are also other global problems whose solution should not be postponed. It is necessary to adopt comprehensive and effective measures for the protection of man's environment, for feed the masses of the people, who are all inhabitants of our planet.

As Europeans, we are particularly interested in the fate of our own continent—in transforming it into our common and peaceful, European house.

In this context, I would like to mention the foreign policy of the People's Republic of Bulgaria, which is situated in an important area of Europe, namely, the Balkan peninsula. We are trying to make our contribution to detente and to the establishment of an atmosphere of good-neighborly relations and understanding

Esteemed guests, once more I am pleased to greet you with a hearty Bulgarian "welcome" and to wish you a successful stay in our country.

I propose a toast to:
—Your health, esteemed Mr Federal President, to your wife's health, and to the health of all our guests here present!
—To your country's happiness and prosperity!
—To the further development of cooperation in all fields between the People's Republic of Bulgaria and the FRG!
—Cheers!

FRG State Secretary on Trade

AU2311171488 Sofia RABOTNICHESKO DELO in Bulgarian 22 Nov 88 p 6

[Report by Petur Bochukov and Dimitur Khadzhinikolov on statement by Dr Ludolf von Wartenberg, parliamentary secretary of state at the FRG Ministry of Economics, deputy at the FRG Bundestag, and member of the official delegation accompanying FRG Federal President Richard von Weizsaecker on his visit to Bulgaria, made on 21 November in Sofia]

[Text] Following the first day of official talks between the Bulgarian and FRG delegations, headed by Comrade Todor Zhivkov, chairman of the State Council, and FRG Federal President Richard von Weizsaecker, we asked Dr Ludolf von Wartenberg, parliamentary secretary of state at the FRG Ministry of Economics, for a brief statement. This is what he had to say:

The visit paid by Federal President Richard von Weizsaecker to your country undoubtedly confirms the good results achieved during State Council Chairman Todor Zhivkov's visit to the FRG in 1987. The present visit will direct the attention of business circles in both countries to the additional, favorable opportunities existing in your country today which are promoting the progress of foreign trade-economic relations.

As to the development of relations between the FRG and the People's Republic of Bulgaria as a whole, we should point out the fact that a lively exchange of delegations at various levels took place in recent months, and that the bilateral commission on economic, industrial, and technical cooperation is working successfully. The agreements we achieved will contribute to the implementation of the ideas shared in the recent past. They will also act as an incentive for direct links between West German and Bulgarian companies, which will stimulate even more mutual economic cooperation between our two countries.

Von Weizsaecker Visits Varna

AU2311175288 Sofia Domestic Service in Bulgarian 1730 GMT 23 Nov 88

[Text] Today FRG Federal President Richard von Weizsaecker, who is on an official visit to Bulgaria at the invitation of State Council Chairman Todor Zhivkov, arrived in Varna. He is accompanied by Comrade Petur Tanchev.

At Varna airport President Weizsaecker was welcomed by the leaders of Varna Oblast and Municipality. The FRG head of state took up accommodation in the Eksinovgrad Residence.

This evening the Varna Oblast People's Council gave a dinner in President Weizsaecker's honor at the Grand Hotel Varna in the Druzhba resort.

Holds Press Conference

LD2511032288 Hamburg DPA in German 1013 GMT 24 Nov 88

[Text] Varna (DPA)—Federal President Richard von Weizsaecker has declared his satisfaction with his 4-day visit to Bulgaria. At a press conference in Varna held today before flying back to Bonn, he said that the Federal Republic is following with interest Bulgaria's efforts to implement restructuring (perestroyka) as promulgated by Soviet party leader Mikhail Gorbachev. However, one should not underestimate the efforts required.

The federal president, who visited an exhibition of modern Bulgarian artists in a cultural center in Varna beforehand, said that he had accepted the invitation for this first state visit by a federal president to Bulgaria with great pleasure. The visit was the "rediscovery of an old friendship." The exchange of information with party and State Council Chairman Todor Zhivkov and other leading Bulgarian politicians had been "trusting and substantial" and spiced with Bulgarian humor. The affection between the two peoples is valuable capital which must be used.

Von Weizsaecker welcomed Bulgaria's intention to cooperate more closely with the Federal Republic in economic areas. He pointed out that contacts with German firms have already been made. A business forum at the next trade fair in Hanover and the manager training already introduced in Bulgaria will contribute to improving cooperation. The federal government also welcomes Bulgaria's plan for an agreement with the EC and supports the country's wish to become a member of GATT.

The federal president expressed his conviction during the press conference that the smaller countries in Europe can also make their contributions to maintaining peace. Both Bulgaria and the Federal Republic are dedicated and loyal members of their respective alliances. However, it is only by means of a strengthened opening up that freedom and peace can spread throughout Europe.

The federal president described the Helsinki Final Act as the basis for maintaining peace in Europe. It obliges the superpowers to make progress in disarmament.

The Final Act, however, also includes the basis for cooperation in the areas of science, technology, and culture. The Federal Republic, like Bulgaria, is interested in strengthening cooperation in these areas. Von Weizsaecker welcomed the great attention to teaching the German language in Bulgaria, and said that he hopes that interest in the German language will be further strengthened by cooperation.

Before flying back from Varna, the federal president met with Zhivkov once more for a talk which lasted 1 hour. For this purpose, Zhivkov had flown from Sofia. It was pointed out that this was a special honor for the German visitor.

BTA Reports Press Conference

AU2411212788 Sofia BTA in English 1900 GMT 24 Nov 88

[Text] Varna, November 24 (BTA)—"This visit reaffirmed the desire of the FRG to pursue a dialogue with the Soviet Union and its allies," said Dr Richard von Weizsaecker, president of the FRG, speaking at a press conference here today at the end of his official visit to Bulgaria.

The federal president indicated that the friendly relations between Bulgaria and the FRG should help the promotion of the East - West dialogue. Stressing the lack of problems burdening bilateral relations, Dr Richard von Weizsaecker pointed out that in future, the two countries will focus on the economic and cultural aspects of their relationship. "The FRG, he said, "supports Bulgaria's intention to establish contractual relations with the EC and to accede to GATT. In the economic field, the FRG welcomes the direct inter-company contacts aimed at the formation of joint ventures." He declared himself in favour of a wider exchange of know how, of experience in personnel training and in marketing.

Dr Richard von Weizsaecker pointed out that the FRG follows with interest the processes of restructuring. "We cannot influence it," he said, "but we are convinced that the promotion of cooperation largely depends on the success of these processes, among other things."

The federal president spoke in favour of wider East - West cooperation and stressed the need for a gradual removal of the obstacles still existing in this field, including the various forms of protectionism.

Von Weizsaecker Talks With Zhivkov

AU2411134988 Sofia BTA in English 1318 GMT 24 Nov 88

["Richard von Weizsaecker's Visit Ends"—BTA headline]

[Text] Varna, November 24 (BTA)—The conclusive meeting between Mr Todor Zhivkov, president of the State Council, and Dr Richard von Weizsaecker, federal president of the FRG, was held here today. The two sides discussed the present top-level dialogue.

There was a common ascertainment that the visit of the federal president to Bulgaria is useful for the bilateral relations, as well as for the international ones. The conviction was expressed that the bilateral cooperation will undergo an upgrade development.

Later on President Richard von Weizsaecker left this country. At Varna Airport he was seen off by Mr Todor Zhivkov and other officials.

'New Ways to Trust' Opened

AU2411195188 Sofia BTA in English 1939 GMT 24 Nov 88

["Bulgaria, FRG Open New Ways to Trust, Cooperation and Common Security" —BTA headline]

[Text] Sofia, November 24 (BTA political observer Aleksandur Vladkov)—The first visit to Bulgaria by a head of state of the Federal Republic of Germany lived up entirely to the interest showed in both countries. The expectations of useful and candid talks, run through with a shared desire for more active cooperation, proved well justified, although there were some surprises, too. Due to the whims of an early winter, the schedule had to be partly revised, and the visits to such cultural, historical and architectural landmarks as the Rila Monastery and Veliko Turnovo had to be cancelled, although the federal president and Mrs von Weizsaecker retain a lively interest in them.

As much as we may be sorry about that missed opportunity, the changes gave us some far more gratifying chances. Thanks to them, yet another session of talks with State Council President Todor Zhivkov—this time in Varna, prior to the departure of the distinguished guest—was added to the schedule of this important visit. This was not only a gesture of respect but a logical extension of a candid dialogue which opened new ways to trust, mutually advantageous cooperation and common security.

At his press conference in Varna today, Federal President Dr Richard von Weizsaecker made a meaningful statement of major political significance. "The present visit," he said, "comes as further evidence of our lasting search for a sincere, vigorous and constructive dialogue with the socialist countries on all vital problems. The relations between Bulgaria and the FRG and the latest talks with Mr Zhivkov and other senior political functionaries confirm the conclusion that they can and should play an especially positive role in the East - West dialogue as a whole." The ascertainment is correct and accurate. It was not easy to arrive at, but this truth is stronger than any easy victory.

To quote a recent statement of the Bulgarian party leader and head of state, "the traditionally good relationship between Bulgaria and the Federal Republic of Germany can serve as a model of peaceful and fruitful coexistence between countries of different social systems." The first official visit by a West German federal president to this country proved convincingly that from a model of mutual benefit, these relations are already graduating to an effective factor of confidence, security and cooperation in international life as a whole.

Mladenov Toast at Luxembourg Dinner Reported

AU1411150188 Sofia RABOTNICHESKO DELO in Bulgarian 11 Nov 88 p 5

[Report on toast delivered by Petur Mladenov, minister of foreign affairs, at dinner given in his honor by Jacques Poos, minister of foreign affairs of Luxembourg, on 10 November in Luxembourg]

[Text] Petur Mladenov, minister of foreign affairs of Bulgaria, expressed gratitude for the warm hospitality accorded to him in Luxembourg and his satisfaction at the constructive and open talks.

We took advantage of the opportunity to assess the development of Bulgarian-Luxembourg relations, which despite their short, 30-year old existence, are fruitful and in the interest of both the People's Republic of Bulgaria and the Grand Duchy of Luxembourg, he stated. If we should succeed in making high level meetings between representatives of our two countries a permanent practice, and if they should be accompanied by an increasingly active and purposeful contact between branch ministries from the two countries, this would certainly have a beneficial effect upon the development of our mutual relations.

The Bulgarian guest pointed out that considerable, unused opportunities exist for expanding cooperation in the economic field, as well as in increasing the exchange of goods, and in applying new forms of economic cooperation. In this connection Petur Mladenov dwelled on the new economic atmosphere in the People's Republic of Bulgaria, which is a result of fundamental changes in all spheres of our lives, creating prerequisites and opportunities for an even more dynamic development of our economic cooperation with all countries, including Luxembourg.

The Bulgarian minister further dwelled on the political atmosphere in Europe and the world by stressing that East-West contacts are increasing and multiplying.

The speaker expressed his hope that the Vienna meeting would soon be concluded with the adoption of a meaningful and well-balanced document. Real disarmament and comprehensive, mutually advantageous cooperation, precisely, is the basic foundation on which, with common efforts, we will built our common European house.

We are convinced that the establishment of official relations between CEMA and the EC, as well as between the People's Republic of Bulgaria and the community represent a solid initial step in more widely expanding economic cooperation which will essentially contribute to the consolidation of an atmosphere of mutual confidence in Europe, Petur Mladenov declared. For the People's Republic of Bulgaria the consolidation of peace, security, and cooperation in the Balkans, the area in which our country is situated, is of utmost importance.

The development of recent events justifies our conviction that positive trends prevail in this respect, Petur Mladenov stated at the end of his toast.

Independent Palestine State Recognized 25 Nov
AU2511193188 Sofia BTA in English
1841 GMT 25 Nov 88

["Bulgaria Recognizes Palestinian State"—BTA headline]

[Text] Sofia, November 25 (BTA)—Mr Ivan Ganev, deputy minister of foreign affairs, today received Mr Isma'il 'Abd al-Fatah, charge d'affaires of the representation of the Palestine Liberation Organization in Sofia, and presented to him a note, which goes as follows:

"As soon as the 19th special session of the Palestine National Council was over, Bulgaria welcomed and backed up its resolutions, which are of historic importance to the Palestinian people and which underlie the declaration of independence and the political declaration.

These resolutions were adopted as a result of the realistic and constructive approach of the Palestine Liberation Organization aimed at settling the problems by political means and by taking into account all realities in the Middle East region. They are a step forward along the path to the practical realization of the irrevocable national rights of the Arab people of Palestine.

As it has been already declared, the People's Republic of Bulgaria will persist with her efforts to contribute to finding a comprehensive and just solution to the Middle East conflict by calling an international conference held under the auspices of the United Nations, with the participation of the 5 permanent members of the UN Security Council and all parties concerned.

True to her consistent and principled foreign policy, aimed at backing up all peoples' rights on self-determination and free independent development, the People's Republic of Bulgaria recognizes the proclaimed Palestinian state."

Stanishev Meets PLO Executive Committee Member
AU2311150788 Sofia BTA in English
1440 GMT 23 Nov 88

[Text] Sofia, November 23 (BTA)—Mr. Dimitur Stanishev, secretary of the CC of the BCP, received Mr. Sulayman Najjab, member of the Politburo of the CC of the Palestinian Communist Party and member of the Executive Committee of the PLO.

The guest informed of the extraordinary session of the Palestinian National Council which was held recently in Algiers stressing that its resolutions were a historical achievement of the Palestinian people in its struggle for self-determination.

Mr. Dimitur Stanishev emphasised that the Bulgarian Communists, the entire public greet and support the resolution for proclaiming of an independent Palestinian state and are convinced that this step will contribute to the convening, as soon as possible, of an international conference for the Middle East with the participation of all interested sides, the Palestine Liberation Organization included as the only legitimate representative of the Palestinian people.

Once again was expressed the readiness of the Bulgarian Communist Party and the Palestinian Communist Party to develop their relations in interest of the two peoples.

Spokesman Denies Nuclear Reactor Breakdown

AU2811110188 Warsaw TRYBUNA LUDU in Polish 24 Nov 88 p 6

[Text] PAP, Prague—In connection with the rumors that circulated extensively in Poland on 23 November to the effect that a "radioactive cloud" had appeared and that, as some of these rumors alleged, "a CSSR nuclear energy power station had suffered a breakdown," the PAP correspondent in Prague contacted Miroslav Pavel, CSSR government spokesman, in the evening in connection with this matter.

I declare most categorically that there has been no breakdown in a nuclear power station in the CSSR, M. Pavel said. If something like that had happened, the CSSR, in accordance with the international accords ratified by it, would have at once informed all neighboring countries about such a breakdown.

Central Committee Presidium Prepares for Session

LD2511215088 Prague Domestic Service in Czech 1400 GMT 25 Nov 88

[Text] The preparation of the 12th session of the party Central Committee was discussed by the Presidium of the CPCZ Central Committee today. This meeting, as has already been announced, will take place on 15 and 16 December. On its agenda will be a proposal to convene the 18th CPCZ Congress to be delivered by Milos Jakes, general secretary of the party Central Committee, and a report on the implementation of the 1988 plan of social and economic development, on next year's plan, and on the course of the restructuring of the economic mechanism to be delivered by Ladislav Adamec, member of the Presidium of the CPCZ Central Committee and federal prime minister.

The Presidium of the party Central Committee, furthermore, discussed a draft of the 1989 CPCZ budget, which will be submitted to the 12th session of the party Central Committee for consideration and approval. It stressed that in expending financial resources all party bodies and organizations must proceed in a most economical, thrifty, and effective manner.

The draft of the cadre order [poradek] of the party Central Committee and the Committee for Party Work in the Czech SR, which will be submitted to the next session of the party's Central Committee for consideration and approval, was also examined. The draft simplifies the mechanism of submitting cadre proposals to party bodies and creates prerequisites for strengthening collectiveness in decision making concerning cadres and for increasing the role played by elected party bodies.

The Presidium of the party Central Committee also approved the sending of a party delegation for the celebrations of the 30th anniverary of the victory of the revolution in Cuba with Milos Jakes, general secretary of the party Central Committee, at the head. The delegation's trip will be linked with an official, friendly visit to the Republic of Cuba and the Republic of Nicaraua by the party Central Committee's general secretary at the beginning of January next year.

The Presidium of the CPCZ Central Committee, furthermore, took note of the report on the course and results of the visit paid to Austria by Vasil Bilak, Presidium member and secretary of the party Central Committee, at the invitation of the Socialist Party of Austria's chairman. During the Czechoslovak-Austrian talks, progress achieved during the past years in all principal areas of mutual relations was positively assessed by both sides.

The Presidium of the CPCZ Central Committee also took note of the report on the visit to Mozambique, Angola, Guinea-Bissau, and Ethiopia by the Federal Assembly delegation headed by Jan Janik, its deputy chairman, in the period between 20 October and 7 November this year. It noted that the visit contributed to the further expansion of friendly relations and cooperation with the above named countries.

Dubcek's Meeting With PCI Leader Noted

AU2211132288 Prague RUDE PRAVO in Czech 19 Nov 88 p 6

[Unattributed report in the "They Said, They Wrote" column]

[Text] L'UNITA and virtually all other Italian dailies report on A. Dubcek's meeting with A. Occhetto, PCI secretary general, on Thursday [17 November], which took place at the PCI's initiative.

Jakes, Husak Greet Gorbachev on Buran Launching

AU2211162188 Prague RUDE PRAVO in Czech 17 Nov 88 p 1

[CTK report: "On the Successful Flight of the Space Shuttle"]

[Text] Prague—Milos Jakes, CPCZ Central Committee general secretary, and Gustav Husak, CSSR president, sent Mikhail Gorbachev, CPSU Central Committee general secretary and chairman of the USSR Supreme Soviet Presidium, a congratulatory telegram on the successful flight of the Buran space shuttle. The telegram states, inter alia, that this event represents yet another important step toward the peaceful use of outer space for the benefit of all mankind.

SED Paper Condemns Banned Soviet Magazine

LD2511120588 Hamburg DPA in German
0742 GMT 25 Nov 88

[Excerpt] Berlin, (DPA)—The GDR has reacted officially in the controversy surrounding the Soviet magazine "SPUTNIK" and justified the directive from the Ministry of Posts to remove the magazine from the newspaper sales list. The official SED central organ, "NEUES DEUTSCHLAND" (ND) today described "SPUTNIK's" portrayal of history as "unconstitutional" and "incomprehensible".

The magazine, which was removed from the GDR's post-office newspaper sales list and thus for all practical purposes banned, carried "distorted articles on history." This justification given by the Ministry of Posts is "unfortunately true" and does not concern "only one edition." "The distortion of the history of the Soviet Union and of the CPSU, as well as the history of other countries is, so to speak, the line in 'SPUTNIK'", the official SED line says. Yesterday East Berlin justified the banning of the magazine published by the semiofficial Soviet news agency "NOVOSTI" by printing a commentary by the Duesseldorf DKP paper "NEUE ZEIT".

The "distortions" particularly in connection with the controversy about the role of Soviet dictator Josef Stalin in cooperation with Adolf Hitler, were "incomprehensible". "So far such material was only known—forgive us for saying so—from the conscienceless cleaners-up for fascism in the West," ND comments. Touching on the role of the KDP in history the paper concludes, "The German communists were in the anti-Hitler coalition together with Social Democrats, Christians, and other humanist forces right into the ranks of the military. They made the greatest sacrifices in antifacist resistance."

However for "SPUTNIK" all this did not exist. The paper not only distorted the history of the Soviet Union and the CPSU but also that of the KPD, it says in the official GDR paper. "SPUTNIK", "let us say it openly, disparaged the German communists and their allies, who fought for a new Germany of democracy and socialism and whose struggle found its fulfillment in the founding of the German Democratic Republic." In the GDR, "in our antifascist, socialist German state, the cleansing of Hitler, fascism, and its crimes and their 'explanation' by any inventions—like placing Hitler on a par with Stalin—are impermissable." Such representations contradict the GDR's Constitution, "ND" states.

"SPUTNIK," of course, is no organ of the CPSU, 'ND' says in an attempt to put the magazine into perspective. "The 'portrayals of history' selected by the editors from every possible and impossible article are in crass contradiction to what Mikhail Gorbachev said on the occasion of the 70th anniversary of the October Revolution about the history of the CPSU and the Soviet Union." The portrayals were for the GDR mainly in contradiction to German-Soviet friendship" which in this country is a basic principle of the Constitution, of state policy, and a matter close to the hearts of millions." "Distorted portrayals of the historical achievements of the Soviet people, spread in the GDR, are unacceptable to us for the sake of our friendship with the Soviet Union." [passage omitted]

Daily Alleges Honecker Illness, Resignation

AU2511115188 Hamburg BILD in German
25 Nov 88 p 3

[Wolfgang Kenntemich report: "How Ill Is Honecker Really?"]

[Text] East Berlin—When SED chief Erich Honecker (76) visited the FRG in September 1987, he looked very vigorous. Recently, Western visitors met a different State Council chairman: "He is marked by age and illness," a diplomat reported. His gaze seems inattentive, his hands tremble. He has difficulty concentrating, often does not finish his sentences. His memory has suffered. He has to have the sequences of difficult technical topics explained to him again and again.

Honecker's personal doctors in the Charite Institute treat the SED chief with hypotensive medication, which may lead to heart and circulation problems .

In addition, he is under great physical and psychological strain, in particular because of the problems with Moscow. "He has an incredibly full schedule and is under great pressure because of the rejection of Gorbachev's reforms," a Western diplomat says. Furthermore, Honecker's grandson, Enrico Yanez, died a few weeks ago of a viral infection that he had caught in kindergarten.

Western experts assume that Honecker will start to gradually withdraw from politics next year. He will probably resign as party chairman in the spring, but will remain State Council chairman, otherwise, Honecker would have to fear being deprived of his power at the SED Congress in spring 1990 (advanced by 1 year).

Ottfried Hennig (CDU), parliamentary state secretary for inner-German relations, already predicts the end of Honecker's era: "The GDR leadership is overstraining itself in its resistance against Gorbachev. The change of generations is irrevocably approaching in East Berlin."

Premier Nemeth Interviewed on Domestic Issues

On the Role of Premier

LD2611195588 Budapest Domestic Service in Hungarian 1500 GMT 26 Nov 88

[Interview with Miklos Nemeth by Henrik Havas from the "168 Hours" program; date and place not given—recorded]

[Text] [Havas] We still have not been freed from the Politburo choosing a premier from among its own ranks.

[Nemeth] It is my conviction that this now is not connected with the question or thought that the Politburo cannot free itself from this. In the course of the consultations, the proposal arose, for example—and we noted this, and will examine this when preparing for the congress—that the premier not be a politburo member, just be permanently invited, so that he would have a greater sphere of movement and independence.

Personally, I am sympathetic with this solution and line of thought. Today, however, when the step had to be taken under a multitude of compelling circumstances, and the forces for the reform program had to be concentrated, in my view this possibility, that four Politburo members are also present in the government, will rather help the acceleration of concentration on the tasks, speed, the focusing of strength, the realization, and will hinder this less. [The Politburo members] possess the experience however, and we must return to them.

In the party, in connection with the new work division under formation, the preparation of the cadre changes implemented by Karoly Grosz, was not carried through in the old way. It was he who consulted, who suggested, and not by running to this that, or the other person first. So, in economic questions, he would have asked me first. He had proposals, and then when he was ready with the proposals, he asked: Well, what do you think of this? He did not do this with the demand for a right of veto. I would like to make the most of this possibility.

[Havas] Can the post of Central Committee secretary go together with that of premier? You have already convinced me that membership of the Politburo can do so.

[Nemeth] I do not understand exactly.

[Havas] That the Central Committee secretary supervising economic matters is at the same time premier.

[Nemeth] Well, I think this will be true only for a short time. It is not a secret that around the middle of December, there will be a Central Committee session. It will take a stand in a few personnel questions, and I trust—I will request, too,—that they relieve me from the function of economic policy secretary.

[Havas] Finally, something about whether the premier can promise anything to the population, to public opinion? Very wide social strata, of great numbers, are struggling with everyday worries of survival. That social protection net has still not been extended yet.

[Nemeth] We are working on the protection net. Also on the work table is a complex, coordinated social policy conception; distribution, culture, education, youth, including social security. But, I would not like to make promises. It is my conviction that the age of promises is over, only deeds count. It is another question that it is my endeavor to [to give] as large as possible a sphere of movement to ventures, to neutrality of competition, to initiatives from below; to create organizational and political conditions to help this; that the strong become stronger so that those sources of strength are raised from which those who have got left behind because of the aforementioned can be helped and supported. [as heard] But I concretely promise nothing, only work, a focus on achievement, and that we must show more openness towards men, human problems, and we must react more quickly.

On Plans for the Economy

LD2811092388 Budapest Television Service in Hungarian 1800 GMT 27 Nov 88

[Interview with Premier Miklos Nemeth on "The Week" program by unidentified correspondent—live or recorded; no video available]

[Text] [Presenter] Our country has a new premier, Miklos Nemeth:

[Unidentified correspondent] I know that this government has a program. Do you accept this program? The question is all the more justified, since you were the secretary of the Central Committee responsible for the economy when this program was formulated.

[nemeth] I don't think there is any reason whatsoever to give up this program. The program must be implemented; this is what the public opinion of the country wishes and expects from us. The same is true of abroad as well. At the same time, independent from the change of premiers, it is my view that as the conditions change, as we acquire new information, the stock of instruments which realize the strategic points of the program must be continuously renewed. I myself will endeavor to maintain the restrictive policy pursued up to now, accompanied by financial rigor, the rigoros regulation of demand and a rigoros demand for performance. At the same time, we must give much greater scope, step-by-step, to enterprise and competitive neutrality [between the state and the private sectors], and I am confident that if, on the basis of an acceptable, suitable 1988 base we succeed in fulfilling the requirements of the 1989 financial plan, then if you were to ask me this question in 1990, by then I could say that these elements facilitating resurgence are increasingly present in the government's plans.

[Correspondent] If I understand you correctly, you are asking for patience, for at least 1 and ½ years.

[Nemeth] Let me tell you honestly, I do not like to make promises, the time for promises is over. I only mention trust and patience, because without these, in my opinion, it is impossible to responsibly solve those problems and tasks which are now facing the country. Thus, I am not asking for these for myself but for the work of the government.

Pozsgay Queried on Premier Candidacy
LD2611195988 Budapest Domestic Service in Hungarian 1500 GMT 26 Nov 88

[Interview with Imre Pozsgay by Tamas Forro from the "168 Hours" program; date and place not given—recorded]

[Text] [Forro] Was Imre Pozsgay a real candidate for the post of premier?

[Pozsgay] Yes, though not on the list of the runners-up. After all, I also accepted the principle governing the nomination that now an economic politican is needed at the head of the government. Nonetheless, should the decision have been that, after all, a politician prime minister was needed, I would have accepted.

[Forro] Even so, I cannot believe that you are not disappointed now.

[Pozsgay] I am not disappointed. In fact, I have to tell you that I felt a certain sense of relief. I am not abandoning my friends and those who had me in mind by saying this. Rather, what I have in mind is that perhaps in my present post I can be an initiator in a more free and more sovereign manner.

[Forro] I should think that a post such as premier, even with all the burdens which it involves, must be very tempting.

[Pozsgay] I felt no such temptation. I was only thinking of the task; and in the meantime I have realized I can create plenty of tasks for myself here.

[Forro] Yes, but Hungarian public opinion has always placed you in the first line of politics, even while you were often unable to be really in the vanguard of politics. Had you been chosen for the post of premier, this would have placed you in the foremost line of politics.

[Pozsgay] This could have had this result, though it could also have had the result that I might not have been able to fulfil the task. This is also something that I thought through in a rational manner. If an independent autonomous government, pursuing its own political activities, were to be formed—and this is what would be in line with my character—then one could really accept this post. But the time has not come for such a government. The current institutional changes in politics have not yet created the conditions for this. Lacking the conditions, it would be nonsense to take a function merely for the rank, for the title. I have never been so interested in ranks and titles that I should have found this consideration so attractive as to be able to overlook the conditions.

[Forro] But could not Imre Pozsgay as premier have taken effective steps to achieve this goal, the foundation of such a government?

[Poszgay] Not yet, not yet. I also thought about this. But time would have beaten me. Signs of crisis would have become so dominant that I would not have been able to work with sufficient energy precisely on creating this condition.

[Forro] Do you feel that now it is really an economic policy specialist that is needed to head the government?

[Pozsgay] I feel that the attempt must be made to manage this economic crisis with an economic politician, though in general, in principle, my view is that, precisely based on the consideration of the government ideal I have just spoken about, it is not a specialist minister who should be premier but a personality whose thinking is universal and who holds the entire interest of the country in the forefront of his thinking. This is not yet customary in Eastern Europe. These governments, as I mentioned in my keynote speech, as yet merely fulfil the role of the economic board of management of the country, and I feel that I am not suitable for this role.

[Forro] If I understand you correctly, then you now consider that some sort of awaiting is the tactic to be followed.

[Pozsgay] I have no such tactic. I was sincere when I said that I have no plans regarding specific posts. I have concepts regarding the political system. I was able to formulate some of these in my keynote speech here. I say some of them, because it was only in the context of legislating that these concepts were discussed here. However, what I regard as more important than this is the transformation of openness, an order of human relations and autonomy which is a long way away.

Rezso Nyers Interviewed on Democratization
LD2611200188 Budapest Domestic Service in Hungarian 1500 GMT 26 Nov 88

[From the "168 Hours" program]

[Text] [Announcer] On Thursday, the National Assembly elected not only a new premier, but also a new minister of state, moreover for the premier's immediate support in economic policy. According to Party General Secretary Karoly Grosz's explanation, this position will involve nearly a deputy premier's sphere of tasks. My colleague interviews Rezso Nyers on this position.

[Correspondent] Very many social systems in the world are struggling with economic problems, and have ended up in economic crises. Among these are all the socialist countries. At the same time, very many of the world's states have been able to extricate themselves from this economic crisis, but there is not one, single socialist state among them. This is a contradiction which, I believe, is on very many people's minds.

[Nyers] It is true that the socialist economies are now living through a crisis period. There are various reasons for this. However, I would like to point out that to this very time, it has not been appreciated and recognized that it is a crisis; therefore; the attempts at resolving the crisis have not been made with crisis-handling methods. For this reason, it cannot be concluded from this, that in a socialist country, the crisis is more difficult to solve than in the nonsocialist countries. There is no question of that at all.

[Correspondent] So are we in a state of diagnosis? We have not yet reached the operation?

[Nyers] The operation has already begun in a few countries; there are other countries where they have not even reached a diagnosis.

[Correspondent] For that reason, I ask you in which direction are we to go? What path should we choose? Is there a crystallized plan as to the direction in which we are to go?

[Nyers] In Hungary, we are ahead of most of the socialist countries. My feeling is that now, at the moment, we are ahead of Yugoslavia, with these methods. Earlier, they were in the lead. However, for all this, it is not especially Hungarian—it is a socialist path-seeking, using socialist in the general sense.

[Correspondent] Would Rezso Nyers be able to put in words who are the people, which are the circles, whose power must be broken so that in the next period the stabilization is carried through successfully?

[Nyers] The power of all those must be broken, who have exclusive rights, who are protected from competition and who have power which goes unchecked. All those. There are still many of this type in society, because they have proliferated.

[Correspondent] In feudalism, the cavalries agreed to meet on a flat field, because there it was suitable to wage a battle. Where are you calling our rivals? One hears of informal groups, lobbies—I do not want to speak, here, about agricultural lobbies, energetics lobbies, and others—which cannot be personalized. You simply do not find them.

[Nyers] These step aside. They withdraw themselves from the battle. At the same time, however, by their existence, they hamper (?our) activity. Well, if you please: the cure for this is publicity. I favor publicity. Neither am I afraid of the publicity at present, indeed, I approve of it.

It is true that there is also a deficiency in this publicity if those forces are allowed to withdraw from it, if they are not made to speak. Radio and television are often like that, it does not make them, the other side, the opposing force, speak enough [word Indistinct].

[Correspondent] I wanted to ask you whether you, who are in the Politburo, think about the corrupt leaders coming to grief, in housing affairs, in embezzling, in corruption. We do not run across people who oppose development, who are dogmatic, and are good people, so their badness cannot be caught red-handed; we do not read that these people might have been relieved.

[Nyers] Such people were defeated at the party conference; these were the kind of people who were defeated in the elections. Well, let us recall the elections; was it not these people who were defeated?

[Correspondent] And since then? Since then, in the middle ground, where there are thousands and tens of thousands in a similar sphere?

[Nyers] Since then, some have been defeated, but I accept that movements of this type in society are smaller than would be necessary, and they are proceeding more slowly. I accept that, only I dispute it that they might not be defeated.

[Correspondent, interrupting] [Words indistinct]

[Nyers] Well, it was before the party conference that these election defeats occurred. It was not demonstrated enough to society that the electors actually elected. Alright, perhaps the opportunity was more restricted than it could be, or will be in the future, but they actually elected and rejected people. There really were some who were defeated at the party conference. At the council and enterprise council meetings there were some who were defeated, and they were industrial captains of great importance. There was a captain who was criticized, but who nevertheless was elected. So, he was not democratic enough, but he was a good leader. There were some who were criticized because they were democratic, but they were not good leaders; (?they were not elected).

Democracy, of course, is not a miracle cure. It is true that things go through this democratic sieve; the holes here are still very large. Many people also get through who, rather, draw themselves in somewhere, in their position—they do not do good things or bad things—and they remain there for a long time under the protection of obsecurity. Or the enterprise functions well, but he,

himself, does not head it very well. Such people also remain there. Some have remained in their positions as council leaders, in their trade union positions.

However, for example, big changes are taking place regarding trade unions. So we should see and appreciate that this democratization is underway. So, I would not put the question in terms of where are our rivals are; that was justified 1 year ago. I believe it is becoming visible that these things are being resolved, if not on one day then on the next day.

National Assembly Session Continues

Opens With Debate

LD2511112688 Budapest MTI in English 1013 GMT 25 Nov 88

[Text] Budapest, November 25 (MTI)—On Friday morning, the parliamentary session continued with a debate on the implementation of the government's programme of economic stabilization and the economic policy tasks for 1989.

The session was attended by Bruno F. Straub, president of the Presidential Council, Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party, Miklos Nemeth, chairman of the Council of Ministers, the members of the HSWP Political Committee and the secretaries of the Central Committee. Seated in the galleries were the heads of the diplomatic missions and numerous representatives of the domestic and international press.

Istvan Stadinger, president, first gave the floor to Under-Secretary of State Ferenc Bartha, president of the National Bank of Hungary.

Bartha Delivers Address

LD2511133988 Budapest Domestic Service in Hungarian 0800 GMT 25 Nov 88

[Speech by Ferenc Bartha, chairman of the Hungarian National Bank, at National Assembly session in Budapest—live]

[Excerpts] Esteemed National Assembly: [passage omitted]

If I were to give a very concise evaluation of the state of the implementation of the program, I could say that we have carried out the tasks for the period up to now; the results are there, but dangerous tendencies have appeared, and should these tendencies gain the upper hand, they could undermine the resurgence and could nullify the sacrifices which have been and will be made.

Naturally, at the same time, several new tasks have been formulated, in part because of changes in the situation and in part because of a deeper analysis of the situation. It is promising for the future as well that we shall realize the endeavor this year aimed at improving the external balance, what is more, so that the convertible trade balance will exceed both the plan and the expectations. The dynamics of the growth in exports is noteworthy both in terms of value and in terms of volume; this disproves the earlier pessimistic expectations.

Even though transitional elements, elements of a boom, also play a part in this development, at the same time this also shows that with the appropriate conditions there is scope to redirect the productive capacities to producing for exports.

The enterprises increasingly recognize the qualitative role of being present in the world market, and under the influence of the improving system of conditions and the pressure of the market there has been a perceptible advance in the microstructural adaptation of the enterprises. The continuation and strengthening of this process—that is, the preservation of the positive balance that has been achieved in the sphere of convertible currency turnover in goods and services, and the necessary further improvement in this sphere—is extremely important, since it means not only the realization of one of the main goals of the program, the restoration of external balance, but is also a synthesized measure of the coordinated realization of the economic policy aimed at an equilibrium, the change of structure, and the reform of management and institutions.

Last but not least, this forms the precondition of the undisturbed external financing of the Hungarian economy. These are the same conditions which even at the time when the program was adopted, created a concensus that the external balance, stopping the increase of debts in the dollar accounting relationships, are priority, central tasks of the program.

Quite simply, this is a requirement which we are determined to accomplish, which we must accomplish; the only question is through which combination of the regulation of demand, the development of the structure, and the transformation of the system of management should it be achieved.

In the 1st year of the program we shall accomplish this priority task. In 1988, to the present time, the international balance of payments of the country has improved considerably as compared to the situation a year earlier. The convertible current balance of payments closed the first three-quarters of the year with a deficit of $631 million, which is about $350 million better than the period January-September 1987. Over the whole year our expectation is that the current payments deficit will be reduced from last year's $846 million to $500 million, which is in line with our goals.

The improvement in the balance of trade counterbalances the less favorable development of other current payments. Because of the growing stock of debts and the higher interest rates this year, our payments of interest

exceed $1.1 billion. The surplus on tourism is lagging behind the scale achieved in earlier years. The new travel regulations introduced in January, which had a favorable reception, have resulted in a roughly threefold increase in our expenditure on tourism. Though the revenues keep on rising, our surplus on tourism is going to fall from $350 million to approximately $200 million.

Esteemed National Assembly, it is desirable, and it is also a goal of the program, that besides the regulation of domestic purchasing power, we should create a permanent external equilibrium increasingly through structural development, a better functioning economic mechanism, leading to greater efficiency and stimulating growth. From this point of view, there are already several factors and tendencies present in the processes which deviate from this intention and which hinder resurgence.

It can be expected that the targeted domestic financial equilibrium will not be realized as regards the budget, despite various additional measures brought in during the course of the year. In the current year this will not undermine the foreign currency situation, because the improving tendencies have had the upper hand—these factors include the improvement in the terms of trade and seasonal factors—nonetheless, this cannot be kept under any circumstances in the period to come.

The centralization and burdens of the state budget, and more widely, the state's financial management, the old and new commitments, continue to constrain the economy. Certain new constructions, changes in the price and value processes, have made even more obvious the excessive weight of the state sector in our society and economy.

The increase in the dual level of prices, the grossing up of wages, the considerable increase in the social security payments in the sphere of the budgetary institutions, and the increase in interest rates in the wake of the higher rate of inflation, can raise the expenditures of the state budget to 1 trillion.

This raises an extremely serious requirement regarding the rapid and consistent implementation of the substantive elements of the budgetary reform. Though the budget deficit will improve as compared to last year, the expected deficit will be 5-6 billion forints more than planned: What is more, in a way whereby the level of expenditures and revenues will both considerably exceed the planned levels. Under such circumstances, in order to curb the overspending on a national economic scale, even beyond the original plan, the dual-level banking system has to play a significant role.

The expansion of the monetary sphere would represent a significant precondition of the more rapid transformation of the structure and economic growth. The enterprises and the new banks themselves rightly expected from the reform of the banking system that the banks will not only make better banking services available to their business clients but will also be able to mobilize more sources of credit for them. Our situation, however, has a different demand. Since in practical economic policy we have succeeded in achieving less to curb the overspending on the scale of the whole national economy, a great burden must be born by monetary policy, which is compelled to pursue a rather strict policy throughout the year, since a large part of the increased sources from the National Bank is taken up by the state sector and the population. [passage omitted: historical review of credit policy, and figures concerning the country's foreign debts, assets, and state debts]

All in all, in stabilizing the stock of foreign debts we have to expect that with a falling stock of demands and with money market interest rates not rising, we will have to achieve within 2 or 3 years a sufficient excess on our turnover of goods and services and tourism to counterbalance an obligation of a $1.1-1.2 billion net interest payments per year. This is a serious burden but with more consistent economic management and with more conscious economic work, with the recognition of realities, and with a strict budgetary and monetary policy adjusting to the realities, this represents a task that can be solved.

I would like to point out that Hungary belongs to those countries which give precise data about their economies. These observations evaluating our foreign currency situation do not question the numerical validity of our financial accounting, but cast light on a more difficult situation. The corrections, the unavoidable writing off of losses which we wish to implement do not change in substance the evaluation of our financial situation. What is more, they can influence it in a favorable direction internationally, too, for they strengthen financial clearsightedness, and thus represent an important part of the further continuation of the reform of economic management.

Esteemed National Assembly, there are unsettled financial factors in the relations bewteen the state and the Hungarian National Bank, between the state and the enterprises. I would like to point out some connections regarding these. Since 1982, losses are being incurred, are accumulating continually as a result of the fact that the official forint devaluations, one following the other, successively increase the value of the people's economy's foreign currency debt in terms of forints. Declines in the exchange rate also come about through the fact that the exchange rates of the Japanese yen, the German mark and the Swiss franc are rising significantly on the world financial markets. It is in these currencies that the overwhelming part of our debt stands. Thus, the forint value of our debt stock increases because of this, even without the official forint devaluations.

The total of the whole accumulated exchange rate loss at present is around 250 billion forints, most of which can be traced back to the forint devaluations. The above stock, according to valid accounting stipulations, is at

present recorded as the outlay, without tax or expiry, of the Hungarian National bank. Naturally, these outlays do have an actual tax burden; thus it is necessary to represent this loss as a direct state debt.

There are also other factors which ultimately burden the state budget, regardless of whether they are entered there or not. At present, there is a so-called working capital benefit credit, to the value of 36 billion forints, at enterprises. This is an interest and expiry-free debt of the enterprises. This came about through the fact that at the beginning of the 1968 reform there was not enough cover in the state budget to ensure an adequate level of working capital provisions for enterprises, so this was supplemented with credit. These credits either become actual enterprise debts—and then the enterprises have to pay the appropriate interest for such debts—or they are requalified as state debt.

The burden of the state debt must be paid by the budget, for which it created a cover from the enterprises affected by taking in annuities. With the state guaranteeing debts of certain enterprises, when there is a reorganization of finances, liquidation, or where the debts are affected by a high-level decision, it is also justified for these debts to be counted in the state budget which really bears the burden, which provides surety.

Esteemed National Assembly, the consolidated state debt, deriving from the above—devaluation loss, settling of working capital, writing off foreign currency demands, and so on—amounts to about 320 billion forints, which naturally is increased by the accumulated total of the annual budget deficits. This together makes up the real indebtedness of the budget to the tank of issue, altogether around a sum of 480 billion forints. This state debt, approaching 500 billion forints, is a very grave burden, but it is not a new burden, for it was accumulated gradually in the past. Thus, our economy has borne the consequences of this up to now so our situation does not become worse by the fact that we put things in their place. However, the implementation of financial stability makes it necessary for an interest repayment long-term amortization plan to be developed, which must be taken into account in our macroeconomic decisions, in the evaluation of our sphere of movement.

The commercial banks also have some uncertain and expired internal demands regarding enterprises, which they prefer to carry themselves. They collect the interest but they do not make realistic assessments of these demands, there is no cover, no separate reserve. This is one of the reasons why enterprises incapable of survival do not go into backruptcy, and their reorganization or liquidation does not begin.

According to the survey of the state bank supervisor, the stock of uncertain and expired commercial bank outlays is at present around 20 billion forints. Thus, parallel with the introduction of the system of qualifying and assessing foreign demands, there is justification in ordering the compulsory qualifying and assessment of internal, primarily banking, demands as well. Later, this can be extended to general internal demands beyond banking connections.

Esteemed National Assembly, developing the socialist market economy, serving economic policy aims more successfully, places fundamental demands on the development of the system of organization and tools used to run the bank of issue. We wish to bring about multifaceted changes so that responsibility for financial management can be asserted, so that the internal and external purchasing power of the forint-convertible currency can be protected, so that the willingness of income earners to save can be promoted, and so that the prevailing demands for balance in the money supply of the economy can be harmonized.

It is our determined intention to moderate the bank of issue financing the state budget, to restrict the extent of refinancing credits, to gradually go over to open market transactions, to develop the money market, and to conduct an active interest and exchange rate policy, building on the real market indications.

We will complete the decentralization of the banking system during the period of the government program; two large-scale measures are to be introduced from 1989 gradually and continually. The decentralization of foreign currency transactions to commerical banks will primarily affect enterprise relations, while integration of private and commercial banking activity will affect the population.

Naturally, with the above changes, we would also like to significantly improve the standard of banking services, creating the technical and personnel conditions necessary for this.

I would also like to inform the esteemed National Assembly that we have started working out the draft law on the issuing bank, which will define the future position and role of the Hungarian National Bank in the economic management system. In our opinion, the strengthening of the autonomy of the issuing bank and through this, that of the banking system, is an important condition for the Hungarian National Bank to be suitable to serve the interests of the economy and of the whole of society, in the long term as well.

Esteemed National Assembly, the reform of the monetary system fits into the comprehensive reform of the system of economic management, and represents an important precondition of the planned, and in my opinion, necessary, successful implementation of our moves to liberalize prices, wages, and imports. It is a fact that in the context of reform, the expansion of supply based on faster structural changes will enable us to exceed the original aims set by the government program. This is very positively received both by international financial institutions, by our bilateral partners, and by our foreign

banking contacts. This is all the more so because East-West relations are on an upward course; world economic prospects are good; they particularly acknowledge the brave reform policy of Hungary, which is built on great traditions, on its forceful endeavors to open up to the world economy; and they regard Hungary as a partner which has paid its obligations punctually, even in the most difficult times.

It is our resolved intention to further strengthen these characteristics of our country in the future. Moreover, if possible, we would like to be even more reliable partners.

Even with all this, we still do not have the means to go beyond our stabilization aims, the policy of gradual but continual righting of the external and internal balance. However, we will presumably have the means to obtain a longer-term structural standby credit with the IMF. In the first year of the new program after more reform and liberalization measures have been introduced, we will slow down or merely maintain at the attained level the pace of balance improvement. This refers primarily to the positions which can be planned for the current balance of payments and the budget, for 1989.

The essence of matters naturally lies in our objective economic relations, and conditions in Hungary. There are serious issues apart from not loosening our financial balance. As I mentioned, it is unlikely, despite our promises that we will be able to attain a balanced budget balance, and this is already imposing strains on 1989, too.

It is extremely important that next year, budget and institutional expenditure does not use up funds required for the structural change and for the remuneration of increasing achievements. The holding back of budget spending is a tool to prevent inflation from gaining ground. Unfortunately this is a realistic danger, not least because of the budget distribution mechanism which is built on planned prices on the producers' price mechanism which we ourselves developed, and the thus anticipated internally derived inflationary expectations.

This price planning system must be abandoned, for it is one of the reasons why in a period of stabilization, producers' prices rise at an accelerating pace. The outlined foreign and domestic debt stock must be dealt with, and funds are needed for this too. A strict system of appraisal must be put into effect.

Esteemed National Assembly, in conclusion I can say that even despite our extraordinary tasks and difficulties, only our own lack of consistency, our veering away from aims set, can be the reason for the development of a crisis situation which naturally is not yet here, but with which many people are already flirting, and which could also call into question our international solvency.

If we resolve numerous existing local and sectional conflicts which stem from our situation by compromise based on distribution, we are not only taking the edge off, or putting off, the creation of surplus output and actions that bring about the necessary changes; we may create a crisis situation of national proportions which, in the final analysis, may nullify the solutions arrived at in this manner.

The Hungarian National Bank will be abiding by the government program if it does not finance the growing state budget deficit by issuing money. We cannot do this at the expense of foreign credits, because it goes against stabilization. Financing the state deficit at the expense of the enterprise sector undermines recovery.

We cannot count on a substantive growth in private savings, but if this were to come about—and we would like to stimulate this further—it would be desirable for us to turn it back into production, because we (?trust) that we can count on its being recouped.

Specifically, this means that in 1988 the budget deficit, can and must, be covered by treasury notes. For 1989 it means that we will reduce the issuing bank's financing of the state budget, limiting it, according to the current, preliminary guidelines, to 35 billion forints.

Esteemed National Assembly, it is my firm conviction that we can ensure the necessary foreign credits for the government's program of stabilization and resurgence. It must be clearly seen that in the next period, the decisive criterion for this will be whether we adhere to the line of our own program, and not whether, for example, our debt-servicing installments are shaping up at a relatively low level.

It is a fact that our medium- and long-term foreign credit repayment obligations in the next 2 years will be relatively lower—$1.5 billion in 1989, $1.8 billion in 1990, a financing requirement which is increased by the given year's current payments deficit.

The predicted repayment obligation for 1991 and 1992 is higher. That is why it is important that for this period's current payments we do not incur deficits which call for further external financing requirements. In coming years, it is our intention to continue the conclusion of credit agreements with the International Monetary Fund and with the World Bank. We should come forward with credit demands on our traditional markets. However, parallel with this, we are also endeavoring to diversify our assumption of credits. Thus, we should expand the geographical and institutional sphere of creditors, and we should form internal institutional and organizational frameworks through which the influx of working capital accelerates.

Esteemed National Assembly, on the basis of what has been said, I would like to propose that the National Assembly adopt the interim report on the implementation of the government program. In the course of this, it should affirm the requirement for an improvement in the economy's external and domestic balance. It should demand that the 1989 people's economic plan, budget, and credit policy quidelines be submitted and closed. It should support the further development of the management system and the endeavors aimed at accelerating structural transformation. Finally, it should agree with measures taken in the interest of strengthening financial discipline and clearsightedness.

Thank you for your attention. [applause]

Pozsgay Holds Press Conference

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[Press conference by Imre Pozsgay, MSZMP Central Committee Politburo member; at the National Assembly building in Budapest during a lunch break of the National Assembly proceedings, with Csaba Kereszti, Hajdu-Bihar Megye deputy, and Gyorgy Marosan, the government spokesman. Andras Farago, the chairman of the National Assembly's press office, moderates the conference—live]

[Excerpts] [Minister of State Imre Pozsgay's press conference is beginning in [name indistinct] Hall. Csaba Kereszti, secretary of the state (?affairs) committee, and government spokesman Gyorgy Marosan have also arrived. Now, Andras Farago, chairman of the National Assembly's press office, is greeting the participants.

[Farago, in progress]...to hold a very brief introduction, and Csaba Kereszti should do so. And then they will reply to questions.

[Pozsgay] Yesterday, the National Assembly discussed a very important agenda point: the government briefing on the reform of the political institutions system. Readers of today's newspapers may know—be aware of—what was said there. I would like to merely affirm that in the history of the National Assembly in recent decades, this was a new, and the first initiative to so comprehensively submit a government, political program. The matter was not just any kind, but it was on the preparatory work of the law, whose mission—task—will be to serve the transformation—reform—of the entire political institutions system.

From this viewpoint, the most important thing is the decision for the preparation of a new constitution. The consequences of the constitutional preparation will strengthen human rights in Hungary. With this, the possibility of a new kind of constitutional statehood will come about, together with all of the political consequences of a constitutional state, including political pluralism, as well.

The debate gave lively and extremely vigorous emphasis to precisely this political requirement. I think that those who spoke in the debate, even when they criticized the slowness of the government program, were of assistance in preparing the law. Now, government's most important task is, in the wake of yesterday's decision, to accelerate the preparation of the new constitution, and, if the preparation of the new constitution is accelerated, then its task will be to face the political consequences of this. I am thinking, here, of pluralism. And I would like to say on all this that to date there have been no professional obstacles to preparing a new constitution, and from this moment, neither will there be political obstacles to it. This is what I wanted to say, for the time being.

[Farago] Thank you. [Passage omitted]

And now for questions. Peter Feledi from television.

[Feledi] Minister of State Imre Pozsgay, you, as well, have described your briefing yesterday on the reform of the political institutions system as being of extreme importance. Two deputies in advance asked to make contributions to this agenda point. I believe that in the end, six people spoke. Twenty-seven people asked in advance to make contributions to the briefing on the implementation of the government's economic program of stabilization, but this number is now around 30. To what do you attribute this extreme proportional [aranyeltolodas] displacement in the deputies' interest? And—if you permit—I will hypothesize here, is it possible that amongst a great number of deputies, this is still an old conditioning as regards the one-directional nature of the cause and effect relationship? That is—at first we should sort out the economy, and only afterwards the superstructure?

[Pozsgay] Certainly there exists this kind of conditioning, but there is something else. The majority of the deputies live under the immediate effect and pressure of their electors, that is natural. The election system is alive if that is so. In this case, however, they are primarily preoccupied with affairs that immediately affect people's living conditions and future, and especially with the state of the economy. But there also is another reason, as well; perhaps the unaccustomed nature of it—to which I referred in my introductory words in my parliamentary speech—and some political risk, as well. Not out of its own fault, but as a consequence of the previous functioning of political power, this parliament did not grow very accustomed to passing judgment on and discussing independently and autonomously issues affecting the country's basic political structure.

It was not even able to prepare for this. This was the first opportunity for preparation, from this viewpoint. I also took this into account when editing and writing my expose. So in a certain sense, I, myself, was compelled to state some principles. Yet, I was filled with great joy by a new kind of activity which took shape. In addition to the earlier indicated speakers, a further four indicated

their contributions. And I state that without exception every speaker had his say, very substantively and putting no small pressure on the shoulders of government.

[Farago] Thank you. MAGYAR HIRLAP, please.

[Erszegi] Andras Erszegi from MAGYAR HIRLAP. I should like to ask you, Imre Pozsgay—and I believe that this links up with the previous question as well—that at several forums, you expounded in detail that in the future a government of a politicizing fabric will be necessary, and not a government in the role of an economic management council. At the same time, two striking economic politicians have entered the government, or got to the top of government, in the persons of the new premier and the new minister of state. As mirrored by these personnel changes, what chances do you predict these ideas to have?

[Pozsgay] I hope that the chances for a politicizing government have not deteriorated; owing to this, though—without a doubt—my conviction really is what you quoted. Allow me to add that I myself might still be mistaken in the judgment of such a requirement, or at the most, unable to represent this standpoint with satisfactory persuasion for it to be a generally accepted opinion.

However, I would like to emphasize that I believe the election of the new government chairman and of the new minister of state, Rezsoe Nyers, has not spoiled the chances of such a politicizing government. Knowing their personalities, their political practice to date, there exists, in them as well, the carrying force for such a joint undertaking, and in this, they can count on my support.

[Farago] Thank you. MAGYAR NEMZET.

[Csaszar Nagy] I am Laszlo Csaszar Nagy, from MAGYAR NEMZET. Mr Pozsgay, do you see any possibility of the constantly multiplying alternative organizations entering the political stage, perhaps as part of a coalition within the framework of the Patriotic People's Front Movement? If so, are we not already too late with this? After all, there are already groupings which have said that they do not wish to join the PPF; yet their work has a popular front character.

[Pozsgay] Yes, there are already a few organizations of this sort, which profess that they have a popular front character. Despite this, I do not consider it too late for the PPF to be able to group these alternative movements and initiatives into a kind of colition. I would like to add to this, however, that it is possible that this may not come about very soon. After all, we rather botched things up in the beginning. In the conduct of power and the previous political leadership, fear and isolation from these initiatives gained the upper hand, instead of a willingness to be partners and estblish relations. These links should be created. I think that this can only be done through dialogue.

[Csaszar Nagy] Thank you.

[Sally Eckroyd, in English with superimposed Hungarian translation] Sally Eckroyd, BBC. How much can the preparation of the constitution be speeded up, and do you expect it to refer to the leading role of the MSZMP, as the present Constitution does?

[Pozsgay] As I have said, there are no professional obstacles in the way of preparing the constitution. A whole host of constitutional lawyers, social scientists, and experts have worked on the solution of similar legal problems. Thus, it is not knowledge that is lacking. There were certain politial obstacles within the political model and system existing up to now; these obstacles are disappearing, and this will open the way to the new constitution.

There is, however, an important requirement here. A new constitution cannot be created faster than this because we are including the participation of society, as well in the preparatory work. Csaba Kereszti mentioned the building of trust. There is certainly no need for a constitution which will end in disappointment for the people. Thus, here there is a need for a genuinely seriously meant, wide-ranging social debate and popular participation in the preparation of the constitution. In my opinion, this can be planned, as well; participants can be found; and I consider the creation of a new constitution in the next 6 months a realistic possibility.

[Name indistinct] In connection with the modernization of the political institutions system, is the government concretely holding some kind of talks at present with representatives of the aforementioned alternative associations, organizations? And, are there present amongst the latter those who at present call you left-wingers?

[Pozsgay] That's a good question. You caught me with this. Well, it is precisely in this trap that we are writhing. There were such talks, and these talks were not open, because we could not reach agreement as to what kind of openness we would create for carrying out these talks. So, at the moment, I do not even have much right to name those organizations with which we have held talks. But believe me, there have been such talks; pacts were not created, nor compromises, but dialogue was commenced.

Also, from this point of view, I expect a very great impetus from the National Council of Hungarian Youth General Assembly which is to start on Sunday, where the various youth organizations will try to somehow attain a minimum consensus.

The other thing is that, while we turn great attention to the role of the new initiative, alternative and oppositionist movements, we must not forget about the matter—the case—of the movements which traditionally belong to the system either. So for example, on Monday, there will be another round of talks with the trade unions and

on 7 December with the Communist Youth League, which will be represented at these talks in accordance with the new demands following its conference.

And, as I am speaking now, I would like also to make up for an earlier omission of mine too. Returning to the BBC question; there are no prescribed conclusions for the new constitution, so there is no such stipulation either that the new constitution declare the leading role of the MSZMP. This is the task of those working on the constitution, and the task of the political debate and the legislature is to decide whether this is included. But, I repeat, the starting points of this constitution will be the norms of human rights. I have no doubts in this respect, and this means that now there are no prescribable conclusions and political commands for the constitution.

[Farago] Excuse me, but my guests have reminded me that time is short. We have time for only two more questions. HETI VILAGGAZDASAG. [name indistinct] Minister Pozsgay, at the parliamentary session yesterday, you spoke about the pressing need for a new accord. Do you consider it conceivable before the acceptance of the new constitution that somebody from the independent political groups will get into the government? Also, what is your opinion of yesterday's proposal by Zoltan Kirlay, who proposed that for the next parliamentary cycle the MSZMP could be present with a 51 percent share, and that following this transitional period, there be completely free elections in Hungary? Finally, there was also a proposal that parliament set up an ad hoc reform committee. I feel that the deputy did not get a reply to this yesterday. What is your opinion on this?

[Pozsgay] On the participation of independent groups, it depends on the group. I am a believer in the creation of a coalition government, even if this does not come about in the form of party formations and party deals, but from the negotiations of various social movements and groups.

There is one thing, however, which I can envisage only with difficulty: an opposition within the government. So, I emphasize that it is a question of a coalition. In the parliament, an opposition can be envisaged, but within a government where the common will of the executive power in some basic questions has to be formulated and exercized, I consider this unimaginable.

In reply to the other question, Zoltan Kiraly, also quoting the words of political scientist Mihaly Bihari [both expelled from MSZMP this year], proposed to political society, a circumscribed, dividing up [felparcellazas] of parties, by agreement. Who is empowered to answer this, there before the parliament? Zoltan Kiraly, as a deputy, could speak about this, with every right, as a problem. But, at that moment, at that minute, and in that chamber, nobody had empowered anyone, who could have given an affirmative reply to this. So, the government regards this, too, as a political order [megrendeles], and it is preparing to reply to this.

My opinion regarding the third question is the same. There, however, I did—if you remember—express my personal willingnesss, that I myself, even until I get the most wide-ranging mandate for this—but perhaps I could say this on behalf of the government—stand open before every initiative which, with concern for the fate of the country and while searching for paths, can be of help in the restructuring of political relations. I can envisage such a council too.

[Deak] I am Andras Deak from NEPSZAVA. Your political strategy is built on power sharing. My question is connected with this. What role do you intend the party and government to play in this power sharing? Regarding these personnel changes—the new head of government is a Politburo member; you, too, are a Politburo member and a minister of state, the new minister of state is also a Politburo member—in practice, the government's key positions at present are held by Politburo members. In your view is this correct, and if not, what means are there for this separation to be consistently realized?

[Pozsgay] Indeed, the essence of my state organizational and political strategy is the carrying through of the principle of power sharing in a socialist state. After all, this is in itself not a new invention. The English philosophers invented this a very long time ago, and Montesquieu a very long time ago enshrined the principle of power sharing in a program. But the state arrangement of socialism started out from a fiction which said that the unity of power is that which points the direction; that led to the Stalinist arbitrariness, as we have all experienced have we not?

Power sharing as a strategic objective is also important to me because I belong to the generation which, on the other hand, had plenty of experience with the abuse of power. And I would not like to be a political colleague and participant in another such era where the abuse of power and arbitrariness can be the main motivation of political decisions. For this reason I consider the classic form of power sharing to be an experience in political culture, which socialism, too, can employ to protect itself from abuses. This means that the people's sovereignty must be embodied by parliament. Although I have no time now to discuss this, let me nevertheless say that parliament should not be alone in this. It is my firm opinion that in the new constitution, it will not be the institution of the parliament alone which will embody people's sovereignty. For there are matters, problems, where the people's own sovereignty is realized with the people's direct participation, such as the institution of the referendum, for example. Or the institution of the president—the institution of head of state—may also take part in the sharing of people's sovereignty. Therefore, these three institutions together embody people's sovereignty. The government embodies the executive power, for which a strong government and a convincing, real, public administration—state administration—are needed; and finally, the strengthening of judicial power is needed to defend citizens' rights, and in such a way

that the state could also be liable [perelhetoe] in this matter. I am thinking here of the constitutional court and the administrative court.

As for the role of the party, just this, that if this party, setting the limits of its own power [oennoen koeret megvonva], strives in a competitive situation with alternative political groups on the battlefield to maintain its governing position and leading role, then the Politburo members are not representatives of the analogous decisions of the Politburo and the government, but independent politicians within the government, who only in basic issues receive party direction and instructions about how to politicize. Otherwise the political will, which can only be attained through debate, has to be embodied within the government, in the event of a coalition.

In all events, a new constitution—that of a constitutional state—cannot favor any organization; there can be no person, no organization, which can even for a moment put itself above the law in this country.

[Farago] We can have one more question.

[Correspondent] [name indistinct], Hungarian radio. With regard to the statement that from now on there will be no obstacle—not even political—to the elaboration of a new constitution, and that this conceals a qualitatively changing element, and further, to the fact that this parliament was elected in a qualitatively different period, do you seen any need and chances for the setting up of a legislative [alkotmanyozo] parliament?

[Pozsgay] I answered this the other day. I repeat that also today I maintain that in the parliamentary elections of the past 40 years, this parliament, which has now come into being, is the most authentic one. But I do not consider the possibility excluded that this parliament will decide that it does not feel prepared for fulfilling a legislative role as well, and perhaps it will propose that a legislative assembly be called—elected—or it will make a recommendation for a referendum. Both of these proposals are at the disposal of this parliament and it depends on this parliament.

[Farago] Thank you very much for the question and the answers. I thank our guests especially for having stayed with us even beyond the scheduled time.

Grosz Views MSZMP's History on Anniversary

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[Article by Karoly Grosz, general secretary of the MSZMP: "The Renewal of Socialism. Today Is the 70th Anniversary of the Foundation of the Hungarian Communist Party"]

[Text] Budapest—Seven decades have passed since the founding of the Hungarian Communist Party. Its revolutionary spirit and humanist ideas live on in the work of the MSZMP. There is a link between the Communist Party and the main initiatives of our most recent history. Today, too, society expects from the party above all the answer to the question as to whether we will be able to cope with our problems and enter the 21st century renewed. Looking back on the path which our party has covered we have the right to say: There is much that we can build, and there is much that we can build on.

The foundation of a party of the Leninist type furnished proof of the revolutionary determination of the Hungarian workers movement. Simultanously, modern forms of activity and organization were created and a clear program was drawn up to resolve social and national problems which had accumulated in the course of history. The dissociation from the imperialist war and the proclamation of a socialist revolution rallied the best forces of society around the party. The 1919 Hungarian soviet republic became the symbol of the victory of the ideas of socialism, albeit for a short time. It lives on in the memory of peoples and the nation as a feat of the Hungarian working class and the Hungarian nation which is worthy of respect. We honor the memory of Bela Kun and his comrades-in-arms, founders of the party, and leaders of the first socialist state on Hungarian soil.

After 1919 the counterrevolutionary regime forced the Communists to go underground or emigrate, but it did not succeed in destroying the party. A decisive role in this was played by the fact that our party never renounced the ideas of Marxism-Leninism, swiftly reacted to the challenges with which history confronted it, and was able to rectify its mistakes and achieve ideological and organizational renewal. Its ability to face facts squarely and exactingly prevented it from becoming divorced from reality. Our party learned from its own experience that unrealistic demands and voluntarist decisions always act as a source of distortions. The ability to take note of reality pointed the party toward renewal, and in the mid-thirties, in a new situation resulting from the stabilization of capitalism and the intensification of fascism, it cast off its former concept and came out in favor of a democratic union of people's forces.

Liberation and the people's democratic revolution did not just inspire hope for the economic restoration of war-ravaged Hungary, but they also provided a great opportunity to accelerate its democratic development on many levels. The creation of the united workers party brought us nearer to that goal. The advice of the best representatives of the workers movement which applies to this day was: Treasure the unity of the party and preserve and augment by your daily work our common assets—the revolutionary traditions of the communists and the democratic values of the social democrats!

The leadership of the party at that time failed to take account of the prevailing realities, and a dogmatic approach and slavish copying of the Stalinist concept

began to predominate. The standardized policy of building socialism which failed to take account of national characteristics inevitably led to a crisis. The feeble attempts to find a way out of the situation which had developed could not prevent a serious social and national tragedy. The events of October 1956 grew into a counterrevolution whose aim was to restore capitalism rather than improve socialism. However, its slogans and mass demonstrations also reflected justified dissatisfaction and concern for the fate of the nation, and this remains an important lesson to this day, although it does not alter the bases of our assessment.

Aware of our responsibility for the future, we must take an exacting, self-critical look at ourselves and the experience of the past 3 decades. This is our moral duty to the Hungarian nation and also to the international communist and workers movement. Only on the basis of a critical, sober analysis can we state with a clear conscience what was good and what was bad, what was due to our own mistakes and what was due to external processes beyond our control. Our party has embarked on such an analysis.

It is beyond question that after 1956 excellent work which served as an inspiration to the whole nation began in Hungary. The reorganized MSZMP broke with dogmatism, dissociated itself from revisionism, and elaborated a modern Marxist-Leninist policy on a national basis. We strengthened the foundations of our socialist system. We made advances in the development of democracy and, in comparison with the past, also by international standards. Modern agriculture was created. For millions of people the better life promised by socialism came within reach. An outstanding role in the elaboration and implementation of the course of the party, the strengthening of its unity, and the great work that has been done in recent decades, was played by Comrade Janos Kadar.

An important lesson of the past years for the present is also the fate of the reform of the national economic management system. From 1968 the MSZMP proceeded from the premise that in order to modernize society new methods were needed, that people must be given a direct interest in building socialism. We were in a position where we knew the point of departure and had, in Engels' words, to "try to find the general trend of further development."

The concrete answers, however, had to be elaborated in the national crucible of reform, without failing to take account of resistance in our immediate and more distant surroundings. The need for reform in Hungary and the correctness of its basic decisions were borne out by our country's history and are being confirmed today by the experience of other countries. We have also learned from our own mistakes. Today we know that a renewal of society can be achieved only by means of a comprehensive political and economic reform. We understand that inconsistency, unprincipled compromise, and conservatism present a real danger to reform. Protecting the tender shoots of development requires patience, steadfastness, and stamina. We have also learned that reform cannot be an end in itself; it must promote the renewal of socialism. The reform does not relieve the MSZMP of the responsibility which is borne by a ruling party, and in no circumstances can it replace the people's disciplined, high-grade labor.

We made a mistake when we took a simplistic view of building socialism and forgot V.I. Lenin's warning that building a new society is a long series of transitions. We sincerely tried to create socialist relations. The state and cooperative forms of ownership not only became predominant, they also became rigid to such an extent that we practically deprived ourselves of the opportunity of making use of individual initiative and the population's resources while simultaneously introducing wasteful consumption. In distribution, too, we went further than was justified by the actual level of social production and labor discipline. In the sphere of scientific and technical development we dissipated our resources and, contrary to international trends, we embarked along a broad front on the simultaneous implementation of large-scale development programs. All this inevitably led to the emergence of disproportions, elements of strain appeared in society, and we proved unable to properly utilize the spiritual potential of knowledge accumulated over decades.

The proper development of socialist democracy and political culture was not ensured either. In many spheres exactingness toward leaders was relaxed and satisfaction with yesterday's results was widespread. At the same time, as a result of the exacerbation of domestic problems and against the backdrop of the general cares [zaboty] of socialism, doubts and skepticism spread in public consciousness, and this in turn called our socialist values into question and caused uncertainty.

The All-Hungarian MSZMP Conference in May 1988 marked a turning point in the history of the MSZMP. In the course of the lively debate during the past 18 months our party has analyzed the prevailing realities and reached a clear-cut conclusion: There is no alternative to the renewal of socialist society. Without change, without renewal we will not be able to preserve and augment our socialist values and the nation's self-respect. The MSZMP is united in its desire not to betray the long-term aim, but it is prepared, where necessary, in accordance with the prevailing situation, to renew this aim. After all, V.I. Lenin himself said that in the course of building socialism "we will have to add finishing touches, refashion, or start from the beginning more than once."

In order to renew society it is necessary to renew the party. Only a thinking, debating party, a party capable of vigorous action, is in a position to recognize and integrate the interests arising in society. Only such a force

will be able to provide the most mature answer in the future to the key questions of our development. Only an open, democratic party will able to persuade, set an individual example, and conduct an equitable dialogue with the people. Only such a party will be able to exert a spiritual and political influence in the conditions of a Hungarian reality which is becoming more and more diversified.

Our paramount task is to strengthen the unity of the party. The political course of the party is born and the long-term concept is elaborated in the course of impassioned, heated discussions. While retaining our values, we are freeing our ranks from ideological preconceptions and unworthy accretions. Rank-and-file members of the party themselves are acting as the initiators of the renewal, which has the backing of the entire people. This initiative which proceeds from the grassroots is a major asset of our time and a guarantee of socioeconomic development in the longer term.

Our political program is well known. We want to create a modern, efficiently functioning socialist society, which is unthinkable without the restructuring of social relations and without a consistent political and economic reform. One of the fundamental values of socialism is the liberation of man's creative abilities. Therefore, we are striving for a broad development of socialist democracy and socialist pluralism, the self-motivation of society, and the creation of a socialist rule-of-law state which guarantees a maximum of human rights. We are learning to perceive society in all its diversity and to promote the development of new trends. We are learning to live in conditions of democracy and a modern political culture.

We have also defined our economic aims. Decisive measures are needed to stabilize the situation. We are forced to accept a temporary lowering of living standards and the difficulties, and even conflicts, which accompany the creation of a modern production structure. At the same time, we must not lose sight of the major task of the future—the creation of a planned socialist market economy based on a decisive predominance of social and collective forms of ownership. History leaves us no other option.

Seven decades ago the revolutionary process in Europe led to the birth of the Hungarian Communist Party, which became part of the international progressive forces. Today, too, our country and the MSZMP, as part of the socialist world, are marching in the vanguard of mankind's development. Our party is seeking cooperation with social forces which favor socialism and the development of human civilization, and it is prepared to conduct an active dialogue with all constructive currents.

The MSZMP is convinced that it can best serve the common cause of socialism and progress if it fulfills its own tasks to a higher standard. This is our active contribution to the cause of the renewal of the socialist world.

A principled unity of views, trust, and mutual understanding is the characteristic of the policy of the MSZMP and the CPSU. In accordance with the demand of the times we are developing our cooperation on principles of equality between the two parties, respect for each other's experience, noninterference in internal affairs, and mutual responsibility and assistance.

Hungarian communists fully support the policy of restructuring upon which the Soviet Union has embarked. The interests and aims of the MSZMP and the CPSU are close. Our aim is to create a democratic, humane, socialist society. Both parties have an interest in ensuring that the socialist social system functions effectively in both Hungary and the Soviet Union and in finding, in keeping with national conditions, solutions to the problems which will arise as we progress.

The new experience gained in concrete conditions in the course of the restructuring which has begun in the Soviet Union is facilitating the development of new thinking in the socialist world and is of great value for Hungarian Communists. All this provides a firm basis and promising prospects for the further strengthening of Hungarian-Soviet friendship, which is one of the most significant gains of socialism in Hungary.

Parliament Acts To Improve Economic Policy

Approves Corporate Profit Tax Bill

LD2511222988 Budapest MTI in English 1714 GMT 25 Nov 88

["Parliament—Villanyi"—MTI headline]

[Text] Budapest, November 25 (MTI)—[MTI part one not received] As a result of the introduction of the corporate profit tax and the elimination of the taxes imposed on earnings and production, the receipts of the central budget are expected to decrease by about 20,000 million forints next year. The necessity of attaining the economic policy aims and keeping the internal processes under control as well as the internal and external balance do not make it possible for the deficit of the central budget to surpass 20-25,000 million forints, Mr Villanyi said. This is the maximum level, at which the solvency of the country can still be preserved. Mr Villanyi proposed that, in the interest of a more secure income, parliament should approve a corporate profit tax of 55 percent. From the aspects of neutrality in competition and a more just sharing of burdens, the higher corporate profit tax appears to be preferable to the payment of dividends after state property.

The National Assembly approved the bill on corporate profit tax with a majority of votes but reduced it from 55 per cent proposed by the government to 50 per cent. The MPS also approved the bill on temporary regulations related to the corporate profit tax and to the modification of the personal income tax.

Vote Affects Draft Budget

LD2511224888 Budapest Domestic Service in Hungarian 1825 GMT 25 Nov 88

[Excerpt] [passage omitted] The Planning and Budget Committee added written amendments to the draft law on corporate profits tax submitted by Miklos Villanyi on behalf of the government. These were not outlined verbally, but the deputies were able to read them in the chamber, and agreed with them. The National Assembly approved, with 17 votes against and four abstentions, the draft law on corporate profits tax. However, the law sets the tax rate at 50 percent and the tax threshold at 3 million forints.

Miklos Villanyi asked to speak and announced that since the National Assembly had not voted for the 55 percent tax rate, the budget would have to be reworded. Since the draft budget has to be submitted 30 days before a National Assembly session, he asked for 3 or 4 days extension, as the draft budget had to be reworded, and certain laws, which were intended to be submitted to the December session of the National Assembly, also have to be reworked before the December session. The finance minister was granted the extension. The National Assembly has just ended its work for today.

Press Conference Held

LD2611015988 Budapest MTI in English 2115 GMT 25 Nov 88

[Text] Budapest, November 25 (MTI)—After parliament approved the report on the implementation of the government's economic stabilization programme and the economic policy tasks for 1989, Janos Hoos, president of the National Planning Office, and Sandor Puskas, secretary of the Budgetary and Planning Commission of parliament, held a news conference.

Mr Hoos said that the government would thoroughly examine the proposals raised in the debate and take measures accordingly. He said that the severe criticism of the government had to be accepted. Mr Hoos remarked that the MPs correctly mediated the mood of their electors when they pointed out that the stabilization programme implied changes in living conditions which would not lead to satisfaction. The president of the Planning Office stressed that the government would be obliged to take resolute steps to implement the programme so the population feel the sacrifice was not in vain.

Mr Puskas pointed out that the Budgetary and Planning Commission shared the position of the government and that the only possible solution is the soonest possible realization of reforms and their completion by 1990. The Commission holds the position that, with bankruptcies, forms other than liquidation could be considered, such as the sale of companies, their privatization or transformation into cooperative property.

In reply to a question, Mr Hoos said that the rate of inflation is planned to stand between 12 and 15 per cent next year. To this effect, in some fields the government will discontinue reducing subsidies as it would generate consumer price increases. In the wake of austerity measures, the real expenditure of state administration is to decrease by 10 per cent and defence expenditures by 7-7.5 per cent. In these fields, the government does not consider there could be any further saving.

Teachers Form Independent Trade Union

LD2711173388 Budapest MTI in English 1644 GMT 27 Nov 88

[Text] Budapest, November 27 (MTI)—The Democratic Trade Union of Teachers was founded in Budapest on Saturday.

The inaguaration meeting was attended by 300 teachers. Participants discussed the Constitution of the independent democratic trade union. The aim is to carry out a comprehensive reform in education and reach the autonomy of schools. Though the organization is independent of SZOT and the Trade Union of Teachers, it makes double membership possible.

Until the first conference of delegates, to be held in the spring-holiday, a 50-strong committee was set up to run the union's affairs.

Hungarian Democratic Forum Inaugurated in Gyor

LD2711190888 Budapest MTI in English 1657 GMT 27 Nov 88

[Text] Budapest, November 27 (MTI)—The local organization of the Hungarian Democratic Forum (MDF) in Gyor held its inauguration meeting on Saturday. Sandor Lezsak, member of the interim presidium of MDF, said that the organization has more than 7,000 members. MDF is to open a bureau in the near future and publish its bulletin in December, when the balance of the past period will be drawn and further tasks will be set.

Historian Lajos Fur, member of the interim presidium, spoke about the traditions of the movement emphasizing the organization's respect for the constitution and the laws and its intention to serve the nation by means of fostering democratic traditions.

In the debate it was worded that democracy and openness is indispensible to the consistent implementation of a comprehensive social reform.

Foreign Ministry Spokesman Holds Press Briefing

LD2311172288 Budapest MTI in English 1446 GMT 23 Nov 88

[Text] Budapest, November 23 (MTI)—Peter Varkonyi, Hungarian minister of foreign affairs, is to pay an official visit to Malaysia, the Philippines and China from

November 27 to December 10, it was announced by Foreign Ministry Spokesman Istvan Komoroczki at an international press conference on Wednesday.

Mr Varkonyi's Chinese trip is particularly noteworthy, not least because he will be the first Hungarian foreign minister officially to visit China. The visit is expected to result in several news initiatives in the field of bilateral realtions. For instance, Mr Varkonyi will call at Shanghai where a Hungarian consulate general will open, and there are plans to sign an agreement on the mutual abolition of compulsory visas, and on cooperation between the two Foreign Ministries.

As for the Malaysian visit, the spokesman pointed out that Hungarian foreign policy was facing reality by giving more and more attention to conditions in Southeast Asia. The talks in Malaysia are primarily designed to maintain the continuity of political dialogue and publicize business opportunities in Hungary, while the aim of the trip to the Philippines is for both sides to gain a better picture of one another and explore concrete areas of cooperation.

Speaking about Mr Varkonyi's visit to Portugal from November 18-20, the spokesman said the Portuguese leaders had confirmed their intention to develop bilateral ties. President Mario Soares announced his plan to pay an official visit to Hungary during 1989, accompanied by various government members and a group of businessmen.

Budapest, November 23 (MTI)—Istvan Komoroczky read out a statement on the Hungarian position concerning Afghanistan. He pointed out Hungary was interested in the consistent and fair implementation of the Geneva Accords by all signatory parties. He stressed the need for dialogue between representatives of all Afghan forces, so that a government with extensive support could be formed. At the same time, founding this government should be the internal affair of the Afghan people, he added. In keeping with its principle, Hungary agrees with the Soviet-Indian joint communique issued in Delhi on November 21, according to which safeguarding Afghanistan's sovereignty, territorial integrity, independence and non-aligned status is of paramount importance for the settlement of the Afghan problem. Hungary supports the proposal on organizing an international conference under the auspices of the UN.

Asked about the act of provocation in Bucharest, Mr Komoroczky said that the Hungarian party was carefully examining possible causes behind the action, unprecedented in relations between the Warsaw Treaty member countries. He confirmed that Hungary would shortly be making public its official response to the Romanian act of provocation. He also said that Karoly Gyorffy, the Hungarian commercial counsellor expelled from Romania, was on his way home via Bulgaria and Yugoslavia. Currently he is in Yugoslavia and is due to arrive in Budapest this evening. Journalists will have the chance to meet Mr Gyorffy personally at tomorrow's Foreign Ministry news conference.

Asked by the FINANCIAL TIMES correspondent whether the Foreign Ministry had any information on Romania's slowing down the implementation of the village-razing plan, the spokesman said that the Romanian side had not yet forwarded the appropriate documents to Hungary. Therefore, the Foreign Ministry only knows what Romanian sources, including Foreign Ministry statements and media reports, have disclosed. The Foreign Ministry has no information about Romania slowing down the pace of the village-regulation plan or possibly cancelling its implementation. On the contrary, experience shows the plan is being carried out at the pace President Ceausescu originally announced. Hungary, he said, is firmly opposed to the village destruction.

Budapest, November 23 (MTI)—The BBC correspondent inquired about the 12 Romanian Hungarian refugees staying at the Hungarian Embassy in Sofia. The spokesman said that further negotiations were being held with the concerned parties, and Hungary will do everything in its power to settle the situation. Unfortunately, the latest Romanian act of provocation is not conducive to a satisfactory conclusion of talks.

MTI's correspondent asked whether the increased Hungarian tourist traffic was causing inconvenience to Austria. Mr. Komoroczky said that while Vienna retailers see perspective business in tourism, the population frequently complained about parking problems and crowds. Nevertheless, Hungary has not received a request to limit the number of outgoing tourists.

Council of Europe's Jung Speaks on Membership

LD2411215088 Budapest MTI in English 2044 GMT 24 Nov 88

[Text] Budapest November 24 (MTI)—Louis Jung, president of the General Assembly of the Council of Europe, attended the session of the Hungarian National Assembly and gave a summary at a press conference. He said that democratism and the observance of human rights are prerequisites to membership at the Council of Europe. His experience shows that Hungary has good chances to meet these requirements. He stated that he was impressed that MPS of different views were able to freely express their opinion in Parliament. He referred to the recent visit of Hungarian deputies to the Council of Europe, when they studied the work of the Strasburg-based organization. The president said it is important that small countries be involved in the work of the Council, and it would help build confidence if Hungary became a member.

In conclusion Louis Jung said that the Council is also seeking to cooperate with other East European countries.

The president of the General Assembly of the Council of Europe is to go on to Warsaw and Moscow.

Varkonyi En Route to Malaysia, Philippines, China
LD2611164788 Budapest MTI in English 1501 GMT 26 Nov 88

[Text] Budapest, November 26 (MTI)—Peter Varkonyi, minister of foreign affairs, left for an official visit to Malaysia, the Republic of the Philippines and the People's Republic of China on Saturday.

South Korea Appoints New Ambassador
LD2611032488 Budapest Television Service in Hungarian 1830 GMT 25 Nov 88

[Text] News that relates to our foreign relations: A 55-year-old diplomat, with great international experience, has been appointed to head the South Korean permanent mission in Budapest with the rank of ambassador. Han Tak- chae has described the strengthening of economic cooperation as his most important task.

Rakowski Congratulates New Hungarian Premier

LD2511221588 Warsaw PAP in English
1638 GMT 25 Nov 88

[Text] Warsaw, Nov. 25—Poland's Premier Mieczyslaw Rakowski has sent a congratulatory cable to Miklos Nemeth, Hungary's newly elected premier, wishing him every success in the implementation of the set program of reforms and socio-economic development of fraternal Hungary.

"I am convinced that cooperation between Poland and Hungary will further deepen and intensify, supplying new impetus to the process of reforms and renewal of socialism at the contemporary stage of its development, for the good of both our nations and the advantage of the whole socialist community," the cable read.

Jaruzelski Addresses Western Parliament Meeting

LD2711163588 Warsaw Domestic Service in Polish
0909 GMT 27 Nov 88

[Speech by Army General Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the PPR Council of State, to a meeting of parliamentary chairmen from Europe, the United States, and Canada, in the Sejm—live]

[Text] Citizen Speaker, esteemed ladies and gentlemen:

I am very pleased to have the opportunity of meeting this body of eminent representatives of the parliaments from throughout Europe and also from the United States and Canada.

The fact that this meeting is taking place in Warsaw, a steadfast city of such difficult and painful experiences, has great symbolic significance. World War II started on our soil. The 50th anniversary of its outbreak falls next year. Virtually every stone in Warsaw is a gravestone, a rememberance of the battle and victory, and at the same time testimony to the will to live and a monument to the pains of Poland. Half a kilometer to the east of where I am speaking, ran the main front line of war activity at the turn of 1944-45. How near to this chamber were insurgent barricades raised and crosses erected over graves. I remember that dead landscape well.

Europe has experienced the two greatest wars in the history of mankind. It would not survive a third. The nuclear apocalypse would forever transform Versailles; the Cathedrals of Aix-la-Chapelle, Westminster, Hradcany; Wawel, and St Peter's Basilica into one radioactive heap of ashes. There is no lack of pessimists who see the decline of Europe not on the battlefield, but as a result of the technological race; not in the crash of bombs, but in the poisoning of the soil, water, and air. Problems still divide us, and they will continue to exist for a long time. There is no reason to pass over them, but neither is there any reason to consider them an insurmountable obstacle to dialogue. Europe still is, and may remain, a single entity, regardless of its existing internal divisions. One cannot artificially separate ecology from the economy or the economy from politics. However, coordination of actions has only limited sucess unless it transpires from a new, common approach to common problems. This process which, by its very nature, is a historical one, demands time. However, I think that properly prepared meetings of the heads of European governments with the participation of the United States and Canada, could bring great benefits to our nations, and serve their mutually useful cooperation, as well as world peace.

One cannot live constantly in the past; accepting the fact that the past has left behind it mutual distrust, suspicion, and patterns of thought that more and more are losing their political and moral sense. Hence efforts to question the territorial and political order set up during the post-war period are becoming more and more anachronistic, despite the fact that they still are potentially dangerous, like a rusted mine embedded in the soil. It is high time to close this chapter. It also would be advisable to begin developing those structures, organizations, and establishments that even now could become a kind of outpost for common action on a continental scale.

The UN Economic Commission for Europe should operate more effectively than heretofore. We would welcome with appreciation the chance to widen the Council of Europe, if, in accordance with Article V of its statute, it applied in practice the formula of associated or observer states. It seems realistic to set up a European ecological council, which could cooperate with various appropriate UN agencies. I would like to recall our proposal concerning the abolition of artificial barriers to the flow of technology serving environmental protection; various indirect forms of regional and subregional agreements also would serve the sensible construction of pan-European links in all those fields in which it is now possible. If one cannot construct everything at once, one must lay strong foundations gradually, brick by brick.

Ladies and gentlemen, uniformity is foreign to European culture. The variety of our languages, traditions, beliefs, and customs determined for centuries the richness and beauty of our civilization. From Castile to Kiev-Rus, from Iceland to Crete, the flow of authentic cultures—free from political or commercial filters—has been like the circulation of blood in a healthy body. Pluralism in spiritual life always has been accompanied by considerable differences in concepts with regard to social systems. The prevailing version of social development dominating west of the Elbe is not the infallible prescription for everyone and every place. In the same manner, the system prevailing east of the Elbe, which recently has been undergoing diversification depending on historical and local circumstances, is not by any means the last word on our formation. The ideas of progress, including socialism, for centuries have undergone numerous hard, often dramatic trials. Neither was any European doctrine, religion, or ideology able to avoid these trails.

Freedom often has been conceived as the right to subjugate others. The economic expansion of capitalism, colonialism, fascism caused no small amount of harm to many generations of working people and to entire nations.

Dickens and Zola, Ibsen and Conrad, Gorkiy and Malraux: these are trustworthy witnesses of the wilderness of those days. Let us call them to mind today so they may serve to warn us against a simplified, retouched vision of the social history of the continent's peoples. The future will be the most impartial judge of right and wrong. Let us not try to do its work for it.

Ladies and gentlemen! As a reaction to World War I, there sprang up concepts of pan-Europeanism. Its creators had a shallow and narrow view of the geography and sociology of Europe. However, they aroused lively interest among opinion-forming circles. The outstanding representatives of left-wing ideas drew up in those days far-reaching plans for a revolutionary European unity. Time corrected these one-sided visions. After 1945, many varied concepts of regional intergration were aired. Unfortunately, the sharp ideologicial conflict that accompanied these processes gave them a confrontational character. This led to the rise of antagonistic political-military groupings.

So the two parts of our continent quickly started to drift apart. The most eminent statesmen of post-war Europe—and with respect, I mention here above all General Charles de Gaulle—perceived the dangers of these intensifying divisions earlier. The historical, although up to now only partially effective attempt to reverse these centrifugal tendencies, was the memorable conference in Helsinki. Have we all passed the test of that conference? I do not think that one could give an unequivocal confirmation to the question in any one capital. It would give the appearance of premature boasting. Recently chances have been outlined which give rise to general hope. Mikhail Gorbachev's iniatives, the idea of a common European home, form a bold and wide basis for reflection on the future of our continent. The need for reasoning in general European categories has been undertaken by Pope John Paul II in his speech in Santiago de Compostela, which had a deep moral significance, and also during his recent speech in Strasbourg. Therefore, recent years are bringing their own kind of renewal in the way of thinking about Europe as a whole. This is a good omen, but it is still not a turning point. In our opinion, there are three spheres in which radical progress can be made today. They refer to three of the so-called baskets of the CSCE Final Act.

First, a real chance is begining to appear for a real reduction in arms. The first disarmament treaty in the history of mankind between the USSR and the United States has partially freed our continent from death-bearing nuclear missiles. New circumstances have arisen which are favorable to the reduction of conventional weapons, the elimination of chemical weapons, the revision of military doctrines, the building of means of trust. The need to achieve a radical and permanent breakthrough in the political and military sphere is becoming imperative. Europe should not serve as a training ground for successive generations of modern weapons. Socialist countries, including Poland have put forward numerous propositions recently. Their open and compromising character and their recognition of the principle of equal security, form a genuine basis for dialogue.

Second, we cannot, unfortunately, note any progress in the implementation of the resolutions of the so-called CSCE second basket. In fact, in many areas one notices a saddening regression. Barriers to the circulation of goods, of technology, of the many achievements of science are today a true iron curtain. It is not the socialist countries that are creating this curtain.

Third, the progress to date in the field of human rights and the free movement of people, ideas, and information is by now so important that the time has come to give up accusations and censures and to concentrate on definite, precisely directed, and substantively justified discussions on individual matters.

Ladies and gentlemen! Each step forward, every bit of progress in the process of detente stimulates the rate of positive internal changes in different countries. Conversely, a rise in tension, a relapse into enmity, and various forms of external interference apply brakes to this process, or at least delay it.

Poland has entered a time of deep, and in many ways unprecedented change in all areas of life. Today the main trends certainly are known to you, ladies and gentlemen. Your meeting is taking place in a country that has a long tradition of democratic thought. In 5 years, we will be celebrating the bicentenary of our first Constitution. We do not only consider it to be a venerable historical treasure; for us it is a living source of civic reflection. It was the first fundamental law in Europe which encompassed the basic rights of man and citizen in what was, for those days, a pioneering spirit.

We are an open country. With the curtain raised before the audience of European opinion, we are speaking openly of distortions [wypaczenia], mistakes, and difficulties; we are discussing a new shape for our political and economic systems.

Despite set-backs, we are determined to continue the building of a Polish model of humanist, democratic socialism. We count on your understanding of the complexity of this task, on an appreciation of our—more often than not—pioneering search, on respect or the achievements made so far by the Polish People's republic.

Ladies and gentlemen! The closer the cooperation of parliaments and the political forces represented therein, the better for all the nations of Europe. The very fact that such a meeting has taken place is an event of histroic precedence. Once again, 13 years after the meeting in Helsinki, that which so rightly has been called the new European thinking is coming back to life. May it gain for itself a permanent, pan-European passport! [applause]

2 Demonstrations in Wroclaw Reported

LD2611104988 Wroclaw Domestic Service in Polish 0600 GMT 26 Nov 88

[Text] Yesterday afternoon two demonstrations took place on the streets of Wroclaw. A dozen or so young people demonstrated at the town square near the monument to Aleksander Fredro with slogans appealing for the release of political prisoners in Czechoslovakia. There was no intervention and the demonstrators dispersed after an hour.

A demonstration started on Swidnicka Street at 1600 in which secondary school students took part. They demanded changes in the manner in which schools are managed, in the educational curricula, as well as an amendment to the law on self-management. The demonstrators reached the Dzierzynski Square without intervention.

Official Denies Increase in Radiation

AU2811110088 Warsaw TRYBUNA LUDU in Polish 24 Nov 88 p 6

[PAP report: "The Chairman of the State Atomic Energy Agency: 'No Increase in Radiation in Poland'"]

[Text] In connection with the rumors circulating that the level of nuclear radiation has increased in Poland because of a breakdown of a nuclear reactor, Docent Mieczyslaw Sowinski, chairman of the State Atomic Energy Agency, made a statement on the television newscast on 23 November.

As the communique issued by the Central Laboratory for Radiation Protection shows, no increase in radiation has been recorded anywhere in Poland, M. Sowinski said. This means that there has been no accident or breakdown, which would have brought radioactive dust or substances into our country. I base this opinion on the strength of the measurements carried out by about 140 stations throughout Poland. None of these stations has reported any increase in radiation. To make sure, M. Sowinski continues, I have contacted the IAEA in Vienna, which always keeps in touch with all atomic centers in the world. I was told that the IAEA had received no disturbing information up to 1830 on 23 November, which means that the rumors about a breakdown are just rumors.

I would like to appeal to everyone to condemn such rumors which have been in circulation for the third time this year. We should realize that recurring rumors help create typical insensitiveness, which may result in the absence of response to real danger, M. Sowinski said in conclusion.

3rd OPZZ Assembly Session Held in Lodz

First Day's Meeting Begins

LD2611171888 [Editorial Report] Warsaw Television Service in Polish at 0855 GMT on 26 November carries a 52-minute live relay of the opening of the OPZZ Assembly in Lodz. Reporters set the scene and recall details of the National Trade Union Accord. Alfred Miodowicz and Wojciech Jaruzelski take their seats in the hall. Miodowicz opens the proceedings:

"Colleagues, delegates, trade unionists! Invited guests! We have gathered here, in the workers' City of Lodz, halfway through the OPZZ term of office. The inspiration for our meeting was the decision by the congress of the Polish reborn trade unions to discuss the state of implementation of its decisions at the halfway point. The OPZZ Council decided to give this meeting the rank of a report-back and program assembly.

"Today's assembly is particularly important for us trade unionists. (?The time) is such that it may strengthen us. With whom? With the working people. That is the most important thing for us. It can also give us important trump cards in our contacts with the authorities. It can give us a great chance for dialogue with the opposition. It can also rebuild our standing in the international arena. All this is in our hands. We can win it or not. I do not imagine that we fail to take advantage of this opportunity. We remember that 7 million trade union members are counting on our success. I open the Third OPZZ Assembly and warmly welcome the delegates who have come here, the delegates to the first congress of the reborn Polish trade unions and invited guests.

"Colleague delegates! Permit me on your behalf to extend a warm welcome to General Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the Council of State. [applause] "Also, to members of the party leadership. I warmly welcome representatives of the central authorities of political parties: chairman of the Democratic Party Central Committee, Tadeusz Witold Mlynczak [applause]; deputy chairman of the Supreme Committee of the United Peasant Party, deputy chairman of the Council of State, Tadeusz Szelachowski [applause]. I welcome the members of the Council of Ministers, including Deputy Premiers Ireneusz Sekula [applause] and Janusz Patorski [applause].

"I welcome the leading officials of Christian associations, including Chairmen Kazimierz Morawski and Wieslaw Gwizdz [applause]. I welcome the deputy chairman of the National Council of the Patriotic Movement for National Rebirth, Alfred Beszterda [applause]. I welcome the chairman of the All-Poland Committee of Peace Defenders, Professor Hieronim Kubiak [applause].

"I welcome Jerzy Szmajdzinski, chairman of the Main Board of the Union of Socialist Polish Youth [applause] and representatives of the leaderships of the youth organizations: the Union of Rural Youth, the Union of Polish Students and the Polish Pathfinders' Union. [applause]

"I welcome the representatives of social organizations, of creative unions and central institutions, with which we cooperate every day. [applause] I warmly welcome our friends from the National Union of Farmers, Agricultural Circles and Organizations, including Chairman of the Main Board Zdzislaw Zambrzycki. [applause]

"We have among us the excellent historian and politician and member of the Union of Polish Teachers, Professor Henryk Jablonski, whom I welcome especially warmly. [applause] We have among us our OPZZ team working in the WFTU secretariat, whom I warmly welcome. [applause] We have a delegation here from the International Association of Power Industry Workers, headed by its secretary-general, Colleague Jurek, whom I warmly welcome [applause]. And finally, I welcome all of the invited, dear guests whom I can't welcome individually because of the lack of time. [applause]

"Well, then, after that pleasant opening, full of applause, let us go on to current business. Are there any comments on the agenda? I don't see any. Please vote on the agenda by raising hands. Here, inside this area surrounded by a ribbon, there are only delegates sitting, so there is no need for mandates. It is enough to raise hands. Who is in favor of adopting the proposed agenda, please raise your hands. Thank you very much. Who is against? I don't see anybody. Who abstains? I don't see anybody. Thank you.

"The procedural regulations have been distributed to delegates. This is a draft compiled by the OPZZ Council. Are there any comments? I don't see any. Who is in favor of adopting the procedural regulations? Please raise your hands. Thank you. Who is against? I don't see anyone. Who abstains? I don't see anyone. [pause] I'm sorry for not turning around, but it's the Executive Committee, so it cannot object here because this is its own compilation, isn't that right?

"Well, now the composition of the Secretariat. The Secretariat is composed of representatives of 26 branches of industry, elected by those branches. I put to the vote the composition of the Secretariat and the working regulations of the Secretariat. Are there any comments? [pause] I don't see any. I ask for a vote "who is in favor, raise your hands. Thank you very much. Who is against? Who abstains? I don't see anyone. Thank you. [Murmur of protest from the floor] Oh, I'm sorry, one abstention. Thank you very much. So, we go on to our deliberations, I invite the host, from the largest federation headquarters here in the city of Lodz, chairman of the federation concerned with textiles and the so-called light industry, colleague [word indistinct] Pawel Szymanski: please take over."

Szymanski invites Miodowicz to speak again.

Miodowicz Speech

LD2611133188 Warsaw Television Service in Polish 0911 GMT 26 Nov 88

[Speech by OPZZ Chairman Alfred Miodowicz at the OPZZ Assembly in Lodz—live]

[Text] Colleagues and trade unionists,
Esteemed guests,

Galczynski in his poem the 'Ballad of the Pants That Shook With Fear' wrote: When the wind of history blows, people grow wings like beautiful birds, and the creeps' pants shake with fear. The wind of history is blowing and we feel it in everyday life. However, our pants are not shaking and you can probably confirm this. [applause]

We manifest this in everyday work and in our struggle against adversity. Today and tomorrow we should ask ourselves questions and attempt to answer them. What hinders and what helps push union matters forward? What kinds of matters? These are working peoples' problems. In what spheres do we have to accelerate resolutely, under what conditions are the Polish trade unions working, and how effectively do they defend the interests of the working people?

Our union work can be viewed from two angles. The first is what we, who have gathered here, feel. Well, in the period of 5 years we have grown into a power of 7 million and this is not a con [lipa]. That many Poles pay trade union dues. We have managed to organize ourselves, taking what was best from the branch trade unions, Solidarity, and the autonomous trade unions.

We have worked out a new formula of federation and confederation, a very democratic and pluralist formula. We have prepared, perhaps in a manner still not perfect, acts for trade union work. We have managed to show class instinct and at the same time strongly stick to what is characteristically Polish: the fact that almost 40 million of us live in the center of Europe and we have a marvelous tradition of independence. Trade unionists are practicising Catholics, among us are members of the PZPR and the allied parties, our society is young and well-educated, and the greatest reserve exists in our brain cells, which are still not being used. With these facts we connect our hopes that much can be done in Poland, much more than we are doing, and that one can live

better in Poland. Do the delegates confirm this. The second point of view is that of the average Pole, working for a state enterprise. This point of view is formed by everyday life: by lines, the early morning crowds on buses, and the shortage of footwear. In fact, we hear that no one in the streets walks barefoot—those without shoes sit at home—but we can see people running in sneakers in the streets. [applause]

We can see dollar departments not only in hard currency Pewex shops but also in formerly Zloty Telimena shops and in ordinary department stores. The belief of society that we work for zlotys but goods are available only for dollars grows stronger. And another question Poles ask themselves at their family tables: are a washing machine; a television set; a sheepskin coat in our climate; net curtains, the availability of which is additionally limited by turnover tax, luxury goods? The wage and price ratio is less and less understandable. Some people say—those who shape the price policy—that wages are outstripping prices and we have more and more worthless money, that out of our zloty only 60 groszes are worth something. This is true. However, the market and the meeting of its demands does not depend on prices but above all, on supply, and hence the question of manufacturing for the market. To produce means to motivate for work, to organize work, and to ensure decent working conditions. Starting with this civic observation one concludes that the drastically growing cost of living constitutes a significant threat to some Polish families.

All this is what causes the need for extra work, overtime, perhaps in an economic unit, for business trips abroad, or even just plain trips abroad on a so-called contract. Since the value of work in terms of production cost is somewhere around 10 percent and work is universally available to everyone, it is no surprise that the attitude to work is poor. That is why those who live by the work of their hands and their heads are, to some extent, right when they declare that it is more difficult to make ends meet.

For us, the trade unions, this opinion is binding and it is the basis for the trade union strategy. After all, it was not dreamed up by the OPZZ or the national organizations. We only reshape it into a strategy of action and into tasks. Our strength comes from an authentic union with the working people. It allows us to keep our independence and counteract outside pressure.

That is why we oppose the bureaucratic way of wielding power. We oppose the forces that put the brakes on democratic change. We oppose those who dream up happy-go-lucky economic concepts and try to shift onto the shoulders of the working people the consequences of their inefficient economic management. [applause]

We declare it untrue that the reforms are being restrained by a lack of support from the workforces. These reforms are being held back by their authors who—in their ideas—have forgotten about men. The OPZZ, in its alternative concept for economic reform, warned against the plan to implement a price and income policy, such as the one put forward by Professor Sadowski, then implemented with efficiency and remarkable determination. Seeing in what was happening a real threat to the working peoples' living standards—a sharp rise in prices which, to an ever greater extent, was designed to compensate for higher wages—a sharp rise in inflation, we brought about the downfall of the previous government.

Does this show the strength of the trade unions? I don't like to put it like this. It indicates a correct forecast and also an instinct, which we must not ignore; a knowledge of social moods and, above all, determination and consistency of action.

Not much time has elapsed since the historic Sejm debate yet some people have already forgotten about it. The OPZZ is accused of adopting the resolution on a vote of no confidence too late; it should have been done and pushed through after the April-May strikes. This is true. But at the time we definitely didn't find understanding and vital support in the Sejm. The party has always understood trade union activity. It was the eighth Central Committee plenum that contributed to the historic decision enabling the appointment of a new government led by prime minister Rakowski. He inherited, however, along with the government, an enormous ballast of lack of confidence, which he now has to recoup, with difficulty but with some success—also thanks to the place [word indistinct].

The new government presented the priorities, which we had already put forward. What are they? What do the Poles want? Food, a roof over their heads, and good health: that's what we all want; that's the most important thing in life. [applause] Measures have been taken toward restructuring the economy and it was our congress, after all, that stated that without economic restructuring, effective social reconstruction is out of the question. Economic rules have been simplified and opportunities opened up for all kinds of initiative. At last it is no longer said that reform is an essential sequence of sacrifices. We like the philosophy of putting things on their feet. We demand that and always have; that is what we will support.

Recently, we often hear the question: Will the trade unions support the government? Yes, they will. But only when and only such actions which meet social expectations, because neither the OPZZ, nor national organizations, nor even today's assembly can decide for the working people. The role of the trade union is to express the interests and ambitions of working people.

Its duty is to defend. That is a complex matter so we do not wish to act anonymously. We remember that society is made up of individuals. These people have their own

interests and problems, original opinions, and expectations. He who does not appreciate the unique nature of each man—yet says he represents the masses—more often than not represents no one except himself.

We warn that in our bold actions, we must not forget about people or else we will have reform without a human face. We trade unionists may express our trust in the most daring decision, we may decide not to defend the closed enterprises. However we will, with great determination, defend its employees. The workers from closed enterprises and departments must be compensated for the personal defeat that the closing of their work place is for them. Those who have worked the hardest, who have contracted work-related illnesses, must receive extra care. Possibilities for earlier retirment must be created. The most talented cadres must be cared for; the potential that has been built up must not be broken up. Such proposals were passed from the Executive Committee to the government on 9 November. Together we must work out an efficient system to effectively protect people from closed (?enterprises).

Well, we have all been told that, via a government decision, a plenipotentiary has been elected to deal with matters concerning people from closed (?enterprises). Well, I wish to say that I fully approve of this decision; however it in no way solves the problem. This problem must be solved by the whole, competent government, with complete courage and determination, and with full responsibility for the people who work in these places, who want to work, and who are not at fault in these closings. I'm sure you agree with me. [applause]

Strong trade unions do not get in the way of a government that has the support of society. This is proved by examples both from the East and the West. Trade unions do pose a real threat to a government that is weak and inefficient. That is why it is with such surprise that we hear voices who suggest that our trade unions should be weakened, that there should be such a trend, in the name of the ostensible interests of reform. After all, it is the trade unions which are most consistent in backing the reform and which support it with concrete action. After all, the economy does not stand on slogans, on reform theses, or on programs, but on the everyday effort of working people, of people who live from the work of their hands and their heads. According to the way the work was organized for them.

The reform is, therefore, in the interest of these people and not in the interest of the bureaucracy. It is not the working people who are conservative. On the other hand, there is a massive, basic question facing us: are the working people, in the interests of scientific and technological progress, in the future—the nearest and the furthest future—ready to make sacrifices despite so many disappointments? To this question there is no answer.

Hence, the primitive Polish version of Thatcherism, which boils down to the diminishing role of man in production and the diminishing role of trade unions in an enterprise, can only serve to whitewash the truth for society on mistakes and failures, which we have pointed out consistently for some time, and surely before, Mrs Thatcher's arrival in Poland.

The key issue for economic progress is to gain the support of young people. One thing is certain: Until we solve the housing problems we will not gain the support of young people. Of course, this is only one condition, but a decisive one in our reality, for we do not believe in slogans appealing to young people to step up their initiative and become richer. Almost no young worker, teacher, or hardly any engineer, doctor, or scientist can repeat Minister Wilczek's career. To become a wealthy man one must have one's own workers and engineers. However, we demand what young people demand: to live a full life, to be educated in a decent school, to have an ambitious job and decent pay, and demand that this work provides opportunities and fulfilment of fundamental needs such as an apartment, food, relaxation, the possibility to devleop according to late 20th century standards. Otherwise, a young man will not attempt to become successful, even on a small scale in his local enterprise.

This, of course, does not solve everything. Young people will not move swiftly to work in state enterprises when, for example, they see how other people are doing, people who have spent years working in state enterprises and institutions, and then see that pensioners' living standards are low. Despite the doubtless successes of our council and party veterans, this problem still remains open and unsolved. I do not want to return to that. We have talked about it enough and I believe this problem will be raised many times in the next 2 days.

Colleagues. Before the roundtable talks the discussion focussed on the trade unions. It has not always been a trade union discussion. We have not come up with an alternative to the program we adopted at our first congress. This is a political battle, but not a battle for employee interests. Union pluralism is a substitute topic for the real Polish dilemmas. I think you share this opinion. [applause]

We see the need to talk at a roundable. We are ready for this discussion. We think there is room for a serious talk on the direction of political and economic changes, on how to improve living conditions in Poland, on how to push to country onto the new rails, and on how to catch up with the world, in which intelligence is valued much higher than manual labor.

How do we open up opportunities for young people, so they don't exchange their university degrees for passports? How do we restore to the intelligentsia its place and dignity of work. How [word indistinct] to give standing to professional skills, in every profession: from

the worker and craftsman to the teacher, engineer, and doctor. These are the real Polish issues. Even several trade union associations can not settle anything on their own. Trade union matters must be decided by unions and union members. Our structure is standing the test, although it is still far from perfect. The agreement concluded in our name has taken the place of centralism. (?Under) the agreement, factory organizations are based (?on federations and branches). This is a pluralist structure. We must keep going in this direction. At the same time, we must create a place in factory organizations for those people who are outside the trade unions. We have to be among them, talk to them, get to know their problems, make demands and proposals on their behalf; and afterwards watch their fate consistently. I am thinking of demands and proposals which on more than one occasion have lain for months in the bottom drawers of the desks of our officials and responsible state employees. They are only taken out when there is a strike [words indistinct].

We are in favor of different views and aims being allowed to appear and to be implemented within the framework of our trade unions. We will not, however, depart from the principle: one firm, one trade union [applause] until there are two directors, two worker's councils, and two party factory committees in every factory. [applause]

We also favor, in these 2 years still to go until the congress, to hold on a down to earth discussion on strengthening the intrafactory agreement and structures in a slightly different image, so there might not be those 139 federations—maybe we could do it differently.

Everyone can take part in this discussion: the boilerman and the electrician. That's how it should be. And the union will make the final decision.

Colleagues! We have 2 years until the second congress of the reborn Polish trade unions. This is a short period, if one takes into consideration that we have to carry out the very many decisions adopted at the first congress. It is a short period, if we take into consideration the kind of economic transformation that may take place in our society in that time. I am thinking, of course, of positive changes. Let us try to make a list of tasks the OPZZ has to carry out, with the active support of all national trade union organizations, above all of the trade unions in workplaces, those which operate within the OPZZ, and those outside our structure.

I will enumerate those tasks. At the OPZZ-government interface: first, to make a detailed review of the schedule for implementing the decisions of the first congress of the reborn Polish trade unions, which were adopted 2 years ago. It is essential to bring it up to date and to establish the names, the new names, of those responsible for carrying out individual undertakings and to change the deadlines.

Second, to bring about in the first half of 1989 a social agreement between the government and the OPZZ that will define what we call the new philosophy of mutual partnership.

Third, to unambiguously change the act on collective labor agreements, which in its present state is paralyzing; and the numerous bureaucratic regulations that limit it. Only thanks to the obstinacy—that can even be said of the chairman of the Printworkers' Trade Union, can't it, and of his collective, his team—that trade union succeeded in 2 years in concluding the one and only collective agreement. The Federation of Metallurgical Trade Unions may also succeed; they have already initialled such an agreement and will conclude it in the immediate future.

But 2 years have passed, and we will have only two collective labor agreements functioning. I recall the truth that without collective agreements, the work of trade unions is chaotic and limited in solving the problems at the worker-employer interface.

Fourth, determinedly speed up the conclusion of collective labor agreements in the workplace. This requires an understanding of the problem on the part of the founding bodies, and their energetic activity.

Fifth, jointly embrace a profound idea of what is happening in the public mind regarding the social agreements concluded in August and September 1980 in Szczzecin, Gdansk, and Jastrzebie. This knowledge and the conclusions and tasks resulting from it will be one of the bases for building a social agreement between the OPZZ and the government.

Sixth, guarantee vacations to working people at accessible prices. As a result of price increases, worker vacations are no longer a social benefit. It is vital to assure so-called accessible and cheap vacations for working people who earn an average wage, through financial support for worker vacation funds.

This applies to two issues: in accordance with the act on worker vacation funds, to award annually in the central annual plan the appropriate sums for modernization holiday premises and earmark a sum of 12 billion zloties, by stages, in view of the need to return to their rightful owners buildings expropriated during the fifties and handed over to the worker vacation fund. The sum of 12 billion zloties will serve to construct new buildings, so the number of people availing themselves of worker-funded vacations should not decrease.

Seventh, increase the interest rate for trade union capital deposited in the Polish National Bank to a level such that the money collected from trade union members is not lost to inflation. [applause, Miodowicz laughs] So, financial affairs are important to us in the OPZZ, too. Everything connected with finances is particularly

important; so I'd like to apologize to you for your 25,000 zloty payment for your participation here. It wasn't our idea, but it was really necessary.

At the OPZZ-government-Sejm interface, first we need to prepare a bill changing the labor code. A comment on this: To improve the social order in the workplace and in the whole state, the bureacratic idea was born to amend the labour code, making worker sanctions stricter. We have overturned this concept. Everybody knows that when there is a conflict the worker is always in a more difficult situation than the enterprise. And it is not by means of restrictions, threats, or penalties that one can compel good work. People work well and take care of their workshop in a well-organized firm if decently paid. We have to warn those who think that with a repressive labor code they will cancel out the effect of a rotten economy, an empty market, and miserable wages. The effect will be the opposite. [applause]

Second, adopt an old age and disability pensions act—a very important issue. It affects more than 6 million citizens, whom inflation is hitting hard. Many old people are falling into poverty. For this reason, work on the passing of this act should be determinedly speeded up and we share the view of the labor veterans' council that the act should be passed next year. In connection with what I said earlier, the law on collective labor agreements should be changed.

Fourth, one should strengthen the position of the union deputies team and encourage them to constant activity in taking up, on their own initiative, such seemingly insoluble problems as housing construction. We should urgently return in this matter to an analysis of Sejm resolutions and determine in a precise manner who is responsible for the present state of the housing industry's breakdown.

Fifth, we should ensure that with the help of union deputies the Sejm should change its view of social security, especially the work of the Social Security Agency (ZUS), through contact with the OPZZ. The party Central Committee, before the national delegate's conference at which social policy for the coming years will be discussed, must clearly state that it is incomprehensible to restrict the trade union's collective consumption and benefit levels maintained so far. According to certain tendencious assessments, the Polish Government is in no way overprotective. I wish to counteract such statements, because they are beginning to be very prevalent in certain (?milieux).

The level of collective consumption and social benefits in socialist countries and in many capitalist countries is way ahead of ours. The savings we can make by restricting social policy will be measly. But social displeasure may be great. Social policy, for the majority of Poles, is an undisputed achievement of socialism. Social policy may be made more feasible, but in our view it must not be restricted.

We expect decisive support—much greater than to date—from the party Central Committee. We expect true factual reports on trade union activities, on programs, and on the implementation of union work.

We do not seek constant attention but we do want to be able, in the press and on television, to speak with our own voice. We find it difficult to understand why the views and opinions of trade unions should be blocked when they are not softened in accordance with the general government line. And, finally, let us be aware that the previous government so often effectively blocked our access to information, especially to television. We believe that a movement as strong as the trade unions' must have its own daily. It is a political matter which is very important to us and we await a decision with urgency. [applause]

Next year will see Sejm elections. The roundtable will deal with this matter. Whatever happens, the trade unions are interested in taking part in the preelection campaign, interested in putting candidates forward. The work experience of the union deputies in this term of the Sejm proves what important support the Sejm and the union deputies working there provide to implement the union program.

Colleagues! For the OPZZ it is important to shape and perfect a Polish trade union model.

We allocate the period of time before the congress to do this, maintaining the principle one union per enterprise. The congress will determine the final shape of the Polish trade union model. The next task is to prepare a general amendment to the law on trade unions. The point is to enable the trade unions to function actively and with determination in the sphere of social policy in work enterprises. We envisage that the work on this amendment will take 2 years because it is connected with an amendment to the law on employee self-management and enterprises. However, the amendment to the contents of Chapter 5 of the law on trade unions concerning protest actions is very urgent. ZWIACKOWIEC, in its special issue which colleague delegates have in their possession, publishes our proposals on this matter. We think the Sejm should adopt decisions on this matter this year or in the first months of next year. We will act to see that this amendment is adopted this year.

I would like to persuade all unions and their boards to undertake economic activity when possible. This will allow more complete fulfillment of union needs and activity on a broad scale. I also propose to consider and prepare a proposal to set up a trade union bank. We can base it on our capital, ZUS capital, and other capital. This would considerably strengthen us financially.

Finally, what will be the effects of our assembly? Decisions, standpoints, and resolutions adopted by this assembly and the motions put forward to the OPZZ must be discussed, and adopted for implementation in the shortest time possible.

Trade unionist! During the past few years we have consolidated our place on Poland's socio-political map and sociopolitical landscape. People have the right not to like us but they cannot ignore us or make light of us. We have preserved our unity, which is not centralized or formal, and results from belief in the unity of our program, our fate, and our aspirations. This unity strengthens us in the present difficult times—difficult for the country, for society, and for the trade unions. We will continue to strive for unity.

Thank you very much [applause]

Jaruzelski Address

LD2611195188 Warsaw Domestic Service in Polish 1505 GMT 26 Nov 88

[Speech by PZPR Central Committee First Secretary Army General Wojciech Jaruzelski at the OPZZ Assembly in Lodz—live]

[Text] Comrades and citizen unionists! Esteemed delegates!

It is a good thing you chose Lodz for the venue of your assembly. Lodz is a town that is aware of its class traditions, the capital of an industry which—oh, irony!—is called light although the work in it is hard.

Many generations were drawn to this promised land in search of work and a bowlful of soup. There are still people living here who remember small children at the looms, ruined houses, stinking gutters, and beggars on Piotrkowska Street. On the occasion of today's meeting, it is worth recalling the genesis of the trade union movement in Europe. It was born as a form of workers' self-defense against brutal exploitation; it demanded the right to rest and to a pension, as well as an equal wage for women; it fought against the law on the employment of minors. In the second stage of its existence, it was the defender of the basic human rights, about which the political and moral authorities of the time, on the whole kept silent.

I hark back here to the long tradition of the workers movement, to its fight for the dignity of the working man. For in the past few years there has been such a proliferation of friends of the working man who have been so eagerly erasing the white spots from the history of the Polish working class that quite soon the structure and the content of the history itself might disappear. I therefore encourage the union movement to protect the memory of its roots, of this proud lineage.

Comrades and citizen unionists! I will begin with an elementary truth: There is no more important matter for our party than trust, that bond with the working people. There is no more reliable partner than the trade union movement. I am not saying this simply because one should say it here and now.

As at your first congress, I reiterate decisively today that the existence of independent, self-governing trade unions is not a short-term matter brought about owing to existing circumstances. It is a lasting doctrinal solution, resulting from the deepest essence of socialism understood in the Leninist manner. Such trade unions exist in Poland. In their innovative and original formula they constitute a strong link in the socialist democracy. This is accepted today, even by a majority of those who, as late as yesterday, did not want to see it. Despite many attempts, it has not been possible for anyone to undermine your achievements and authenticity. For you are truly independent; the stream of dollar support is not flowing toward you. It is a valuable achievement of socialist renewal that you are speaking in your own loud voice, that you are taking up problems and initiatives of great social significance.

You have manifested this many times from this rostrum today, but not only here. I will not be disclosing any party secret when I say that discussions at Politburo meetings with Comrade Alfred Miodowicz are among the toughest and most difficult ones. If someone thinks this is not enough, he probably thinks that the OPZZ chairman should vandalize furniture or smash windows in the Central Committee building or at the Office of the Council of Ministers.

The authorities do not have an easy life with the trade unions, but it is a dangerous life without them. How the easy governing and artificial pacification of workers' complaints end we know all too well from bitter experience. Socialism is not free from contradictions. The task of the unions is not to whitewash these contradictions, but to participate in their resolution by representing the vital interests of the working world, and at the same time by coordinating them with the long-term and objective requirements of development.

An open, uncomplicated dispute between trade unions and administration is a natural phenomenon. As with every appropriate preventive measure, it is more healthy for the economy than dangerous explosive states that damage an already weak organism. I have used the word dispute. The first rector of Lodz University, the great Polish scholar Professor Tadeusz Kotarbinski, in one of his dissertations divided possible interhuman conflicts into two kinds: combative disputes and inquiring disputes.

Speaking pictorially, combative disputes concern who is on top, striving toward it regardless of rules and principles and honesty or dishonesty. Unfortunately, there are many such disputes in Poland. On the other hand, in inquiring disputes, sides with different views—often essentially different in terms of approach and proposed solutions—are linked by a jointly defined objective. In science, it is truth; in public life, it is man and the common good.

Today, reborn trade unions, which bring together the majority of workers from the socialized economy and some from the unsocialized economy, constitute by themselves the shape of developing pluralism. They contain people of various outlooks and views, derived from various generations and circles, from all previous trends of the trade union movement. Working people need strong unions that are internally different but unifying, and that do not split the working class and demolish social calm. Thus we are against the transformation of the trade union movement into an instrument of political struggle and manipulation. The present model is not ossified; it is undergoing—and undoubtedly will continue to undergo—necessary modification, like all other public establishments.

We consistently stand by the attitude formulated at the Eighth PZPR Central Committee Plenum, and confirmed and developed at the meeting of the workers' aktiv in Ursus, that the final decision belongs to the trade unionists themselves, to the working people; it must be in accordance with their interests, with the vital needs of the economy, with the ultimate good of Poland.

The process of developing the trade union movement ought to go hand in hand with an understanding of the basic, specific character of its activity within a socialist economy. The Polish trade unionist, regardless of the level and structures in which he functions, what [word indistinct] he has, undoubtedly remembers that he is employed in his own place, in his own work enterprise, the fate of which can be decided jointly by the self-management and trade union organizations. Thus, apart from the obvious concern to guarantee the workforce their due part of what is to be shared out, an economic concern for the entirety, for the future of the enterprise and its branches, for the state and prospect of the whole national economy should be shown.

However, great issues pertaining to the system are, as I think, only a part of the trade unions' duties. Problems with which the working person comes into daily contact are no less important. Unfortunately, the situation in this area is not good everywhere. Annual reviews organized by the trade unions run quite variable courses, often superficially and feebly. Even my own observations confirm this. Travelling around the country, I often come across facts showing a lack of care for the state of the enterprise's social base, for the development of living and working conditions, and, after all, these are shortcomings, the elimination of which generally does not require the involvement of greater financial or material resources. It does, however, require sensitivity, care, and consistency. I hope that none of these (?characteristics) are found to be lacking in any trade union organization.

Esteemed delegates, the problems of the working world are painful. We have also been discussing expressively here today the current living conditions; the market and housing difficulties; the principles of social justice, which have been infringed; the burdens continually borne by Polish women.

The party and state leadership is bitterly aware of this situation. Where the reasons are subjective—nonsensical decisions, sluggishness, lack of compassion, and red tape—reactions must and will be increasingly severe and consistent. This is confirmed by the evaluations and decisions of the Seventh and Eighth Central Committee Plenums. This also will be appropriately expressed, I think, by the coming 10th plenum and by the national conference of PZPR delegates. However, it would be unjust, almost masochistic, to beat ourselves without seeing the many objective and particularly external conditions: the burden of indebtness, the attempts at interference in our national and trade union affairs, the various practices that discriminate against Poland. Trade unionists also should speak out on these matters. We yearn for a better market, for a stronger zloty, for effective motivational systems that will make people want to work. The new government began its work with this idea in mind. It is using the range of its constitutional powers boldly, without looking over its shoulder. It has undertaken an economic policy in accordance with social expectations, with the intention of our interparty coalition—which corresponds to the needs of Poland. From our point of view—and here I have in mind the party and the trade unions—it will be an essential issue to make uncompromising and unavoidable economic decisions with sensitivity, with solicitude for the life and fate of working people. With this thought in mind, we are supporting the initiative to enter into a social agreement between the government and the OPZZ. Such an agreement could embrace the definition of social and economic priorities, the prices and incomes policy, the housing policy, and the other spheres in which the trade unions and the whole society have a vital interest.

Recent years have brought valuable, although still insufficiently deep transformations in the country's economic consciousness. The myth of the omnipotent state—of its center which both gives and takes, which sets the prices of both locomotives and cabbage, which patches holes in the fence and repairs bus-shelter roofs—is disappearing by degrees. Slowly we are beginning to differentiate between price and market, budget and income, value and production. This is an extremely important manifestation, if it may be described thus, of maturing to meet the modern world.

Surveys of public opinion emphasize that the absolutely overwhelming majority of working people support radical economic reforms, are in favor of standing matters on their feet, not their heads. Often, however, things look worse when this deeply justified conviction is introduced into one's own milieu, one's own enterprise. Yet, it is impossible to cheat economic laws and the requirements of efficiency. Disrespected, sugared with subsidies and concessions, and particularly by unjustified rises in prices and incomes, they return like a boomerang and make themselves felt, particularly in the market. Graphically speaking, an expedition to the other shore awaits us, and there is no guarantee that no one will get their

feet wet [pol-nikt nie zamoczy nogawek]. Nevertheless, we must make the crossing. This is the only key to solving Poland's growing socioeconomic problems.

I would not like to conduct a class test here, but it must be said loudly and (?prominently) in this hall that the contemporary world is a field for merciless economic and scientific-technological rivalry. The last decade has brought significant changes in the world economic map. Those countries with the highest work discipline, that have introduced modern technologies most rapidly, have moved to the fore.

The countries that have not managed to free themselves from myths and neurosis, apathy and passivity, are taking back seats. We all must draw conclusions from this.

Esteemed participants! In a manner of speaking, the Poland of the end of 1988 has two faces. One is made up of acute economic difficulties and ailments, and the people's accumulated discontent. The other is the material potential of the country, the capital of civic energy, professional qualifications, and patriotic will for action. Fundamental political, social, and economic reforms are our great chance, and at the same time, are a historic and pioneering process. We are treading an untrodden path, and boldly seeking new solutions suitable to Polish conditions. We are gaining experience. Not always is everything successful, but there will be no departure from socialist renewal. On the contrary, we will accelerate the pace, go further, and go more courageously.

This is the background to and the deepest sense of our initiative to convene roundtable talks. The course of the preparatory work so far has not fulfilled expectations. Despite this, we are not becoming discouraged. There will be no shortage of goodwill on the part of the authorities. We still hope that the (?pointlessness) of the everything- or-nothing attitude will be understood, that realism, a sense of responsibility, and a readiness for dialogue and accord will win. With joint efforts we must overcome existing barriers, push away threats, and multiply our trump cards and opportunities, putting them into practice for the benefit of the working people and for the favorable development of socialist Poland. In fulfilling this great national obligation there is room for everyone who regards the good of the homeland as the supreme value. I hope that the third assembly will be a source of new initiatives, that it will set out guidelines and ways for the creative utilization of union activity.

On behalf of the party Central Committee and the supreme state authorities, on behalf of the leadership of the allied parties, I convey cordial greetings to all the delegates. I wish you, dear comrades and citizens, fruitful deliberations. I wish you success in professional and social activities. I wish you all the best. [applause]

26 Nov Proceedings Conclude

LD2611213480 Warsaw Domestic Service in Polish 1900 GMT 26 Nov 88

[Excerpts] We are reporting from the hall of the Lodz Sports Center. The first day of proceedings in Lodz has come to an end. Literally 10 minutes ago, the plenary discussion, in which 30 speakers took part, ended. Many critical and brave suggestions were put forward during the several hour long debate. There is probably not a single area of concern which was not discussed.

The next debater at the Third Assembly of the National Trade Union Accord (OPZZ) Bozena Gacka-Czachowska, representing a branch of bankers, spoke of matters connected with the organization of the trade union movement, emphasizing the necessity of the greater integration of the movement. She also spoke in favor of restoring the right to form a trade union organization to employees of state administration of the central and territorial level. She also said that the OPZZ's resolutions and proposals have not always been implemented, well, often they are ignored by the government. She said that neglect of trade union opinion leads to a lack of confidence among working people and to a search for not always legal methods of enforcing one's rights.

Wojciech (Bulgla), chairman of the Federation of Trade Unions of Health Service Employees said that health protection has its greatest significance concerning the quality and standard of living. Meanwhile, this area is very much neglected, and the situation is becoming increasingly worse. The interest of the authorities in health protection has solely a declarative nature. Organizational chaos reigns in the health service, and there are no prospects for reform.

The question of wages presents itself in a catastrophic manner. That is also why a collective [word indistinct] was undertaken. But, in its legitimate struggle, the health service has not found support from the OPZZ. That is why, if the leadership of the accord does nothing in this matter by 12 December, the Federation of Trade Unions of Health Service Employees will resign from cooperation with the OPZZ. [passage omitted]

As we have already said, today's discussion has ended. It resumes at 9 o'clock tomorrow.

Assembly Session Resumes 27 Nov

LD2711141088 Warsaw PAP in English 1015 GMT 27 Nov 88

[Text] Lodz, Nov 27—The 3rd Assembly of the OPZZ All-Poland Trade Union Alliance resumed debates here. A discussion is under way in which delegates to the OPZZ Congress which took place two years ago are critically assessing the implementation of the congress resolution in the mid-term. The assembly is attended by Premier Mieczyslaw Rakowski.

The hitherto discussion has confirmed the correctness of the general goals of the trade union movement charted out at that time and at the same time the need to take account of additional tasks in the trade union program stemming particularly from an acceleration of economic reform and the complex social consequences of these processes. The discussion on the model of the trade union movement which would assure the union more effective defence of the interests of the working people is an important current of the debates.

The results of the two-day discussion will be contained in resolutions of the 3rd assembly.

Koscielski Speech

LD2711184288 Warsaw Domestic Service in Polish 1300 GMT 27 Nov 88

[Report on speech by Henryk Koscielski, chairman of the Lenin shipyard trade unions, at the Third OPZZ Assembly; in Lodz, date not given—with portions recorded]

[Text] [Begin Koscielski recording] Generally speaking, the suprising timing of the decision—October—had its motive. If we take into consideration the fact that over the first three quarters of 1988, the shipyard showed a profit to the state amounting to Z2,000,000, in addition to paying its debts, and the fact that 1988 would have closed with a profit of Z5,000,000, then the inglorious Jaroszewicz team contract, which found a dollar contractor to complete the famous (Tefalan) ferry, should not have been allowed because then the entire mass-media slander campaign against the shipbuilding industry, and particularly against the Gdansk Lenin shipyard, would have been wasted.

The object was to break the workforce, disorganize production, and halt the restructuring being carried out by the shipyard's management so that the planned tasks for the year could not be fulfilled. The government then could say: You see, we were right.

I would like to state from this rostrum that the decision to close the shipyard was a political, and not an economic one. I would like to deny that I said in the TRYBUNA LUDU interview that it was a correct and economically justified decision. I said that it was a political decision, and neither I nor my colleagues, as trade unionists, will ever agree with it. [end recording]

[Announcer] Henryk Koscielski also argued the point with the minister of industry:

[Begin Koscielski recording] How does one treat the industry minister's statement to the 9 November OPZZ executive meeting that everyday in the West, work enterprises are being closed and trade unions do not react to it [words indistinct]. The minister has forgotten that capitalism settled these matters long ago, as proved by subsequent actions. No lying propaganda has been conducted there and workers councils resolutions are not blocked by the mass media, as happened in the case of the Gdansk shipyard. There, a worker knows what to expect, what he is going to receive, what his rights are, whom to apply to, and above all there is a clear and stable pension system.

How should one judge the television stories about using a shipyard production area to manufacture color televisions? I suggest that every family will have a television set eventually—now these are not for sale, but I should mention that at Gdansk (Unimot), television assembly lines are standing idle because Warsaw prefers to sell television tubes abroad for petty pennies. [Words indistinct] [applause] A similar report on starting production of cordless telephones for agriculture suggested that every farmer would have a telephone at last, thanks to the closure of the Gdansk shipyard. [end recording]

[Announcer] The speaker also criticized journalists and some publications.

[Begin Koscielski recording] Today Polish shipyards employ about 35,000 workers—three times more than the journalists, some of whom try to outshine the others writing about things they don't know about. For example in POLITYKA Andrzej Mozolowski [words indistinct]. Some journalists are useful to the country, but they do not sell their work abroad honestly. One can naturally continue to sell the Fiat 126 to Great Britain at fifty dollars profit on each car, one can increase the price of alcohol by some 3 percent, as Professor Bobrowski advised some time ago, and our crisis is over. [end recording]

[Announcer] Concluding, the trade union chairman from the Gdansk shipyard said:

[Begin Koscielski recording] On 22 November, as announced earlier by the premier and media, plenipotentiary Janina Wieslawa Krol and Deputy Minister Janiszewski from the Ministry of Labor and Social Policy visited trade union headquarters. We expected them to bring some concrete decisions concerning [words indistinct]. It is necessary to transfer to our trade union rights on social and living issues. These issues can be decided exclusively by a liquidator, as happens at present. Here I am thinking about enterprise hospitals, medical centers, sanatoriums, holiday centers, mass catering facilities, house construction, sport clubs and many other matters. Finally, I would like to express my opinion of the stance taken by collegue Bar at a press conference on 21 November concerning the closure of the Gdansk shipyard. I quote from GLOS WYBRZEZA of 22 November—I am surprised that the decision was unexpected by anyone—end of quote. Friend Bar, you are probably clairvoyant. [end recording]

Rakowski Speech

LD2711201988 Warsaw Domestic Service in Polish 1000 GMT 27 Nov

[Speech by Premier Mieczslaw Rakowski at the Third OPZZ Assembly in Lodz—live]

[Text] Esteemed trade unionists! Before I start giving my views about [word indistinct] our country and (?the tasks) which the government is facing, I would like to explain one thing. Namely, there were various remarks made here addressed to the government. Concerning these remarks I would like to say that they will be examined, but please also remember that today it is exactly 2 months since I became prime minister, and 6 weeks since the government started functioning. I have not been able to take everything under control and up till now I have not been able to encompass all problems being faced by our country and society. So, I simply request your understanding.

Esteemed trade unionists! I am taking part in these proceedings not for the first time. I think that many of you remember that I was present at the first OPZZ assembly in Bytom and on many occasions I expressed full support for the (?class) trade union movement which was being reborn, and the creation of new independent union organizations in work enterprises. Perhaps this will sound a little immodest, but I shall remind you that I wrote about the need for the existence of autonomous—I called them that then—trade unions independent of economic and state administration, in 1979 in my book entitled: "The Republic on the Threshold of the Eighties."

Speaking to you already as prime minister, I have an opportunity to talk sincerely and openly about a common cause, I emphasized a common cause: How to effect concrete improvement in the living and working conditions of Polish people and what must be done to erase past feelings of impossibility and sluggishness. The existence of this belief, the belief about impossibility is one of the main obstacles to implementing the necessary economic and social reforms. Talking about a common cause and jointly solving problems, I do not mean a false unity of actions, blurring the identity and character of each of the partners. Such a unity is simply impossible and unnecessary. The fundamental task of trade unions, above all, is to protect the workers' interests and this will always determine their assessments and decisions.

In turn, the government is responsible for the efficient functioning and development of the state in the interest of all its citizens and future generations. Changes will certainly take place in the relations between the trade unions and the state and economic administration. That is understandable [words indistinct] don't expect nor want [word indistinct]. I am convinced, however, that we shall be able to find a common language when we decide on the most important aims for workers and the state, for today and tomorrow.

I was told that yesterday a trade unionist who took the floor said that the new government was a more demanding opponent. Well, certainly not an opponent, maybe a more demanding partner, because if you make demands on the government I also have the right to make demands on you. Thus I would like to add a footnote to these remarks and remind you that we are all sailing in the same boat and not in two separate ones. I highly appreciate the public support expressed by the OPZZ leadership and also by many trade union organizations in recent declarations and statements for the government's intentions, with the reservation that the trade unions have reserved for themselves the right to critically assess its actions. That is also understandable. In any case that declaration has become an important part,—this must be stressed—of the growth in public confidence which has been felt recently, in the last month, for the government's declared policy. And, after all, not all decisions of the new government can and will bring it popularity. Some of them are and will be an expression of hard neccessities.

I presented the fundamental intentions of the government's work in my Sejm expose. Today I already possess the specifics which document those intentions. I have in mind here, among other things, the draft law on enterprise and foreign capital, as well as the drafts for consolidating the national economy, I emphasize the word draft. We want through these specifics and also in other (spheres?) to create a basis for attaining active public support for the government's word and also for concluding a new social agreement with the trade unions. In my opinion such an agreement is necessary because our economic situation is difficult and quite simply desperate in some spheres. We must work out together what should be done so as to minimize the social and economic costs, which must be considered in the process of liquidating the effects—I emphasize the word effects—of the economic crisis, which became very severe at the beginning of the 1980s.

We are aware that working people, each one of us after all, has had enough of the burdens caused by the crisis. I am probably not mistaken however, when I state that their continued readiness to endure sacrifices for a certain period can still be counted on only when they see at the same time specific chances for an improvement in living conditions and when they are going to be able to gain a higher quality of life and possibilities of development in better work and initiative.

It is understandable that in this difficult and painful period, it is also necessary to ensure social security for working people and their efforts. Social agreement, also desired by the trade unions, will only be possible when we approach it by accepting the idea of negotiation and consultation as a starting point, first of all, of course, with the trade unions. It is, after all, understandable. In this context permit me to answer some gentlemen from the opposition, or from the group of so-called independents. Recently they have been promoting the view that

Rakowski is an advocate of economic reforms but he wants to introduce them from the top, he alone, without the support of wide social circles. Or, I quote here: It is not possible to implement reforms without the working class, and this is Rakowski's mistake—that he thinks in such a way, end of quotation. This is how one of the independent Polish intellectuals philosophized recently in front of Austrian television cameras. I wonder how people who consider themselves to be outstanding intellectuals can express such irresponsible views, and, in addition, mislead the European public. In the academy of political thinking I would expect an unsatisfactory mark if, as head of the Polish Government during a period of fundamental restructuring in social and economic relations not only in Poland but in the whole socialist formation, I imagined that progress in this sphere would be possible without the widest possible social support. I have been striving for that very support since the first moments of becoming premier—obviously not by multiplying words but by creating facts. I think that the government I lead is on the right way because it begins to create facts. We should also establish who genuinely represents the public, who genuinely cares for working people's interests. Is it the authors expressing opinions who I cited above, or is it the largest mass-organization of working people—the trade unions? Such is my answer to the expressed views that I want to by-pass both the working class and society in the proces of reforming.

Esteemed participants! In my opinion feelings of powerlessness and helplessness have paralyzed us for too long. For too long what is abnormal has been treated as normal: Food coupons, lines, fixing and not simple buying goods. This can no longer continue. Releasing an enterprise spirit, creating conditions to drag people out of the state of apathy, and poplarizing the belief in the social and personal sense of work constitute the mainsprings of the government's economic and social policy.

If you will alow me, I will present my philosophy of action for today and for tomorrow in one sentence, as follows: Move forward, breaking the habits of many years, discard the foggy perspective [zabia perspektywa], and do not take into account too frequently the so-called objective conditions, often created by people for their own convenience.

Success, however, will not come tomorrow. Too many problems have accumulated, such as inflation, and market imbalance, for a spectacular success to be achieved. The path to success does not and will not lead through traditional areas. It cannot. The traditional path will not lead us to success. The government's first decisions show how far words and declarations can differ from citizens' real behavior and assessments, when the actions being undertaken affect them personally. This is understandable but it does not mean that one can agree with such reactions.

One should assume that every important decision, concerning not just some third-rate cooperative but a great, quote, consumer of resources, will result in various reactions. Does this mean that we are left with nothing other than half measures and exceedingly cautious measures? No, I am a supporter of vigorous and unconventional actions. This is the only chance to overcome the stagnation.

I also want to say that we will not go back on decisions which have been taken. We will tread the path we have chosen for ourselves. We have priceless capital in our country: talented, energetic citizens. We are a country rich in natural resources. We have a great industry and agriculture. It is the authorities' duty to create conditions to utilize fully the existing potential. The notion of a successful man does not have to be alien to our political system. In the race for life and material success one does not have to leave our country. One can achieve such success in our country.

According to the Sejm statement, agriculture and food economy, housing construction and environmental protection are the priorities in government policy. The priorities which have been set will not constitute a consent to give money away. The slogans agriculture, housing construction, and environmental protection are not keys allowing automatic access to the state money box. These spheres wil be subject to equally tough scrutiny. Both in housing construction and in agriculture we will eliminate subjects with the lowest productivity from economic life. We do not exempt them from economic calculation and comparison of investment and results. We have selected them not only because of their high social importance. The choice was also determined by the awareness of great neglect, awareness of the necessity to organize the management principles applied there, as well as awareness of the existing reserves and potential capabilities. Agriculture and food economy has been given special priority. There are many reasons for that. Shortcomings in the organization and functioning of the food market, the considerable growth in the cost of food determine social moods and on principle lead to serious social and political conflicts.

Having decided that agriculture was a priority we believed that this is a branch of the economy in which one could make a profit. This has been proved by the experiences of West European countries as highly developed as Denmark and the Netherlands. We will consistently remove all organizational, systemic and economic brakes which restrain, or even go as far as to make, the healthy, common-sense functioning of this branch of the economy totally impossible. It is in this direction that the demonopolizing of the procurement, turnover, and prepared products of agricultural production is tending. Further steps are being envisaged in the process of industrial restructuring—that is making greater and more efficient use of its potential to provide the countryside with modern production means. On the other hand the countryside must be ready to make proper use

of the effects of restructuring the whole economy. The whole point of the exercise is that the extra machines, equipment, mineral fertilizers, plant protection products, and feeds obtained in this way should reach those farms which are capable of making efficient use of them, and not all those farmers who would wish to have control over them.

We are closing down unprofitable industrial enterprises. We must also come to terms with the natural process of dropping inefficient farms. These are objective economic laws which apply just as much to industry as they do to agriculture.

Another important priority is housing. Failures in this area are particularly painful to the young generation. They are also a source of negative social attitudes. Next to the drastic lack of housing there is also the problem of the increasing disproportion in the charges for appartments of the same standard—yet demanded by cooperatives, enterprises and municipal authorities. As far as housing construction is concerned we still cannot manage to make a breakthrough. The main reason for this lies in the anachronistic system of financing the housing complex.

We are building less and we are living increasingly badly, yet we are paying more and more. The user of an apartment, the state treasury, and the regional budget are paying more. We cannot indefinitely recompense the decreasing effectiveness of outlay for housing construction through increased resources of the whole economy. We will try to break this accursed circle. We will still look in depth at trade unions' proposals on housing construction, which I know well. By the way, I wish to add here today that up to now, I personally, as premier, have not involved myself with detailed matters concerning housing construction, simply because there were probably other problems on the list of important problems, (which encompasses?) 5 or 10 [words indistinct]. In any case, before long, we will present for general discussion proposals on housing policy principles, which ought to answer one of the fundamental questions: What constitutes an apartment? To what degree is it a subsidized social asset, I repeat, to what degree, and to what, on the other hand, a commodity and for whom? Depending upon the answer received, we will thus direct our policy so that it may effectively serve to increase the dimensions of housing construction and to improve the working people's housing situation.

The third area is environmental protection. The days of free use of water, air, and land resources have gone forever. We will not tolerate the contamination and destruction of nature with impunity. Protection of the natural environment is the protection of the life and health of man. Today degradation of the environment also constitutes a significant barrier to economic development. Overcoming it is in our joint interest.

An unchanging priority in the country's economic policy—although it is not cited in the declaration made in the Sejm—remains the development of profitable export. A change in the traditional approach is particularly obvious here. Foreign trade is still under the pressure of two stereotypes: Not to import what can be produced in Poland, therefore, anti-import; and not to export what may be processed in Poland, therefore anti-export. This approach has pushed us onto the fringes of world trade. The chances of reform demand that international competition, as an agent of effective economic development should be increasingly widely exploited, and this means buying abroad what others do better and cheaper, while, however, exporting those goods which we produce profitably. From this stems our conclusion: Not to protect those who process good raw materials and semi-finished goods, both imported and home ones, into poor products, but to create developmental conditions for those whose products find foreign recipients, so that they may produce more of these types of products, also for home recipients.

We are limiting considerably the extent of foreign trade licensing. It will be applied only in relation to goods of strategic importance to the economy. With regard to other goods and services, according to the draft law which has been submitted to the Sejm, everyone will be able to become an exporter. Having in mind overall conditions for the development of economic activity, we have introduced changes in the draft law on enterprises. It will be a certain feature of our economy and will abolish the traditional divisions into the socialized and non-socialized economy and the state and private economy. In fact, this idea, this proposal, was implemented in the period of 1945-1948, when the Polish path to socialism was being discussed and implemented in Poland. This law will also equalize the possibilities to employ workers by all economic subjects, regardless of the form of ownership. We have one economy and its efficiency is involved. All other divisions are secondary, although they do not and cannot escape our attention.

The equality in the law also means equal responsibility for the economy's functioning. We are opening the door for foreign capital in the hope that together with home capital it will release new sources of economic activity. This has been the main premise of the amended draft law on economic activity with the participation of foreign subjects. Apart from the state treasury and legal persons, the law makes it possible for ordinary persons, Poles, to join partnerships with foreign capital. Hard currency resources in their possession can be used as a contribution by Polish partners, as well.

New institutions, such as capital and hard currency markets, will also be established. The former will be set up as a consequence of the unlimited flow of capital resources. The government is preparing regulations to control the issuing and turnover of shares. We have already taken the first step. As from 1 November the law

on issuing bonds is in force. With the establishment, from 1 January 1989, of commercial banks we shall lay the foundations for a capital market, which will be fully operational in the nineties.

The second market—the hard currency one—will make the internal and then the external convertability of the zloty possible. The introduction of the hard currency market will start with the free circulation of hard currency resources between enterprises. Other units will also be allowed to take part in the turnover, such as, for example, scientific and research units and budget units. They will equip themselves with hard currency resources on the hard currency exchange run by the bank. In this way the government will be able to restrain the central distribution of this. However the needs of areas such as health, higher education, and the country's defense system will be protected. In formulating the rules of economic play for enterprises we draw, above all, conclusions from the general and justified criticism of the excessive fiscality of the financial policy. We agree that the 10 percent interest rate applied to the profits made by enterprises is not favorable to modernizing production assets; it does not stimulate the increase of this profit [as heard] through an increase of production and a decrease of costs.

The revenue tax rate will therefore be lowered. The payments made by enterprises to the fund for servicing the external debt will be cancelled. Therefore the changes in enterprises' activities will make it possible to accumulate money resources to an extent which will effectively motivate the work force and implement investment processes—especially modernization. But there will be yet another consequence of these changes. Since the state budget will have a lower input from enterprises and will take over the zloty servicing of the repayment of foreign debts, it will not be able to keep subsidies up to the present level, nor tax reliefs and tax exemptions. This is one of the examples of the something-for-nothing principle. Together with the restriction of fiscality we are aiming at modifying the method of socializing state enterprises. The enterprise's capital will be divided. The so-called setting-up fund, (?owned) by the state treasury, will be separate, as will be the enterprise fund, which includes that part of the assets which will be created as a result of the enterprise's activities, from resources which have been worked (?for) by this enterprise.

As of next year there will be a change in the principle of providing enterprises with hard currency resources. The essence of these changes will lie in increasing the freedom with which these resources are used. They may be sold, used to provide loans, and so forth. Therefore the access to foreign currency will become easier, in particular for those who will have zlotys at their disposal. The exchange rate will be shaped in accordance with the law of demand and supply and in this way it will be possible to influence the rate of exchange and its tendency to go up, this is also [word indistinct] principle.

The radical increase in the role of market mechanisms should be an important step on the road to good management, as well as limiting the excessive and often too direct interventions of the state in economic processes. We shall continue to eliminate the remnants of the central control system which still remain in economic life in the form of rationing, of controlled distribution of the means of production. Also, the range of state intervention in the investment process will decrease, too, and the participation of the centrally initiated investment projects will fall to about 7 percent of the total investment outlay.

The acceleration of the market character of the economy and transfer from the system of allocation to the economic dependences may be accompanied by temporary disruptions in the economic links which have been long established. This is the necessary cost of improving the economy's general effectiveness.

The development of market relations and increase in competition will be served by demonopolizing the economy. This ought to limit the persistent dictate [dyktat] of the producer vis-a-vis the consumer or recipient of goods. Soon we intend to abolish the limitations of agricultural products contract purchasing and allow the purchasing and production of meat products by all producers interested in this activity.

The process of demonopolization ought to include other economic fields, too. As from the new year, nine new commercial banks will start working. This ought to ensure freedom of choice of a bank by a client, on the basis of the expected economic benefits. Conditions will be created to demonopolize the cooperative movement and an increase in cooperatives independence from the central associations will be encouraged by changes in the principles of financing cooperative organizations. This also will apply to all intermediate links and structures. Creation of such links will involve the procedure to justify them [applications will have to be made to courts]. This ought to prevent the creation of new monopolies.

Speedy changes in existing economic structures and acceleration of the bankruptcy process of unprofitable enterprises, are indispensible. The proposed mechanisms and economic instruments and also legal regulations aim for this. We will be enforcing the desired structural changes through administrative decisions, where the requirements of the economic balancesheet are obviously infringed, up to the time when legislative changes accelerate bankruptcy procedures. The growing participation of the economic sphere driven by economic mechanisms will change the extent and form of influence of central planning. The plan in the reformed economy, the place of factual decisions concerning aims conceived in detail and allocation of indispensible resources, will be concentrated mainly on shaping economic instruments and stimulating desired developmental directions. Success in implementing the national

economy consolidation plan depends, among other things, on better exploitation of cadre potential, on creating a correctly functioning labor market. Work on comprehensively restructuring the labor code is in progress and we anticipate its completion in 1991. The government's intention is that the labor code, while not resigning its traditional protective function, does not hinder the process of economic restructuring. Liquidating several enterprises in recent weeks has highlighted the problem of securing the workers' interests in liquidated units. The need to guarantee welfare protection [bezpieczenstwa socjalnego] for these people is indisputable. There is simply no discussion on this subject. It is a matter for the state to ensure the efficient influx of job offers, to facilitate the acquisition of new qualifications and, if this is imperative, to create periodic guarantees to supplement their wages to previous levels. Liquidation also brings a series of strictly welfare problems, concerning workers of preretirement age, pensioners under the enterprise's care and the continuity of certain worker rights after changing the work enterprises.

Using the trade unions' proposals, we have prepared a number of solutions in this area, being aware that various bureaucratic obstacles may occur here. For this reason I have appointed my plenipotentiary for system and operational solving of these problems.

Esteemed citizens and comrades! Bearing in mind this year's bad experiences, the government is examining prices and incomes policy concepts with particular caution. Options based on applying fast, efficiency-promoting changes in the structure of prices and on great price movements connected with this, in general give better budget results. They also allow limitation of subsidies, but at the price of very high inflation. Options assuming a lower price dynamic however, mean a higher budget deficit, an increase in subsidies and maintenance of rationing. Their advantage is the eradication of inflation expected by society, but without removing its deeper causes. Consequently, we face the problem of determining a prices and incomes policy which will approximate as closely as possible to the market economy model.

Mechanisms according to which prices and incomes are set are an integral part of the economic system being created at present. Its essence lies in making economic decisions based on economic calculations, determining economic quantities, including prices, through the market, curbing administrative methods of managing the economy, and abolishing the policy of allocation and rationing. At present we are still far from this model. In this case, will we make another attempt next year at a far-reaching and total restructuring of prices and incomes? I reply: No. We will not implement all the aims at once. This is not the point. One must, however, grasp the leading link of the prices and incomes policy. This must favor far-reaching transformations in economic management and decisive improvements in results. Verification of the effects of our enterprises' economic actions in relation to world prices constitutes this link.

This can be done by adaptating Polish prices to the level of transaction prices, on the condition however, that a foreign currency market is created in Poland and convertibility of the zloty takes place. We are realists. We shall not achieve everything at once. However, we must initiate this process in the coming year. It is obvious that undertaking these actions will cause price movements. We are not making specific forecasts at the moment. Soon, together with the remaining elements of the national economy consolidation plan and the central annual plan, we shall present them at the Sejm and submit them to social consultation.

The fundamental principle of the government's concrete proposals and actions will be to maintain the standard of living, that is preventing a drop in real incomes at work, pensions and other monetary benefits. The principle of maintaining the real average wage does not apply directly to all enterprises, and all employees. The enterprises which work efficiently and are in a good financial shape will be able to increase wages quicker than the pace of growth in prices. And the enterprises where results are worse will have difficulty in maintaining pay increases which will allow them to maintain their realistic value.

We are eliminating the tax on above-normal wages. The excessive number of goals assigned to it, complicated construction, and frequent changes of its principles, as well as lack of consistency in its application, caused this solution to fail. Work is continuing on introducing a different mechanism. The best solutions will fail, too, however, if there is no link between the work and its results. And this is the feature of the enterprises which manage independently and have their own wages policy. The worst wages policy is to have an automatic, equal of nearly equal [as heard] policy on increases.

The government is also working on modifying the systemic solutions which concern the employees in the budget sphere [pracownicy sfery budzetowej]. We want to create legal guarantees for improving wages for doctors, nurses or teachers. They will be linked to the level and movement of wages in the material production sphere, by application of the standard indices of wage relations, established on the basis of the synthetic evaluation of wages. A principle will be introduced of nonlimitation of employment in the budget sphere, which will create the possibility of free management of labor resources and resources available for wages as well as an increase in the quality of personnel.

On numerous occasions trade unions postulated the need to preserve the real value of allocations to the social and housing funds. We have been implementing this postulate. Beginning with the new year the amount of

basic allocations will be in accordance with the growth of enterprises' renumeration, and additional allocations from profit to be shared will not be taxed.

Discussing changes in the social activity of work enterprises, I would like to refer to recent statements that the government is allegedly making efforts to remove social activity from work enterprises. I state that we have no such intention; this is a matter exclusively for independent enterprise decision. I see the reason for such a statement in suggestions recommending that work enterprises are organizationally excluded from such activity, and that it is based on internal economic accounts, which, after all, has been used in many enterprises; but it has nothing in common with depriving enterprises of the chance to perform social functions, it only allows for the definition of the real costs of such activity.

The state's duty is to protect the living standards of work veterans; to reconstruct the system of social benefits is to create a situation in which no one who worked effectively, or is still working, need worry about his own and his family's future, so the pensioner will not fear inflation. We will seek the best solution based on government and trade union draft amendments to the pension bill. At the same time I would like to stress that even with far reaching reductions—which will be necessary to improve the economy—they will not threaten those social spheres decisive for citizens' lives and health, and for the nation's development. In social services those spheres are first of all health protection and education, this is the first principle of our social policy. The second concerns financing social services and dividing responsibility between the organs of power and state administration and other establishments which are part of the social system structure. We will resolve this dilemma by being guided by the principle of greatest social benefit, where, in the interests of the community, policy should be uniform, responsibility must be borne by state structures, and should be financed from the state budget. Where there is no need to ensure uniformity of action, and where resilience and flexibility is needed and a variety of forms in order to satisfy the needs of individual groups, circles, and social establishments, methods of financing should be as direct as possible, run directly from the economy to specialized establishments carrying out given services.

Esteemed unionists, I have presented to you the government's basic premises concerning economic and social policy.

They will form the government's offer for a social agreement as I was saying at the beginning. We want that agreement to be based on clear partner-like conditions. For me the word partnership is not empty sounding. It means that each of the sides will understand the possibilities restricting the other side and rationally formulate the boundaries of its own side. For the government those boundaries run along a line behind which it would be impossible to carry out its duty toward all society, and we have undertaken to act energetically and consistently, to make changes in the economic structures, for a real and gradual improvement in the conditions and quality of citizens' lives. Those aims are also close to you, after all, our main partner. That's why I think an agreement on these conditiosn will be realistic.

We all need, above all, public support to carry out difficult, although in my opinion, attainable tasks. The determination and energy of the government alone is not enough. We have already proved this idea and we shall prove it further. The joint action of all compatriots is necessary, who have had enough of marking time, of occasional groans, of battling with difficult conditions, of throwing up their hands in despair. In my opinion we do not have to restrict ourselves any longer to discussions for the next several years about the lack of optimism. We can create it, even today, by bold and brave actions. We are even capable of it. The coming years in Poland do not have to be worse, they can be better. [applause]

Rakowski on Government-TU Relations

LD2711211588 Warsaw Television Service in Polish 1830 GMT 27 Nov 88

[Text] During one of the breaks in the OPZZ debates, journalists prepared a press conference for Mieczyslaw Rakowski. He bore this with all the forebearance of an experienced man of letters. You will be able to hear what he said on Polish Radio and you will be able to read it in the newspapers, ladies and gentlemen. We offer this excerpt in which our reporter was able to ask his question.

[Begin recording] [Rakowski] I believe that the time allotted to the government depends on society's mood and on the attitude of society towards the government's policies. If society, that is the majority of society not the whole of it, if the majority of society decides that this government is keeping to the right path, to the correct road, then—in my opinion—it gives the government credit, it gives it its trust, which means that time can be extended.

Today I have a very much more optimistic view of the development of the situation in Poland than I had when I took the office of prime minister—it is exactly 2 months ago that the Sejm confirmed me in this post, that is, on 27 September. I believe that certain favorable changes are taking place in society as far as the attitude toward the government, toward our program, is concerned—and I am extremely grateful for this to those people who are changing their views and their opinions as far as the government's actions are concerned. It happens that you have reminded me here that during one of my television appearances I appealed to all those who support me to win over at least one person for this policy. I think that many people understood this and I believe that we can speak of some progress.

[Reporter] Mr Premier, the last question from television news: 100 days means 100 days of peace for every new government all over the world. However, if one takes into consideration the relations between your government and trade unionists, the polarization of attitudes can already be seen much earlier. We can already speak about a difficult partnership.

[Rakowski] The partner may be difficult but he should abide by the principles of partnership. I shall not be an easy partner for the trade unions, but do I not expect the trade unionists to be an easy partner for me, for the government, or for my ministers. Only today at the meeting I am a very cunning oponent. I am not an opponent of the trade unions. One must not view the government in this way. We are all in one boat. However, I shall certainly be a demanding partner.

You see, life is such that apart from responsible and serious conclusions there is always also a margin for conclusions which can be easily undermined and denied. They result from a person's mood, and the later conclusions, are not in touch with reality; they have nothing in common with the issue we are talking about. Of course, I shall pay attention to this, but I would like to remind you that I am one of those who—if I can put it this way—were present at the birth of this trade union movement and from the beginning I have been a great supporter of it. Of course, I shall remain its supporter. And if they step on my toes I shall also try to step on theirs. [end recording]

Assembly Approves Resolution

LD2711220188 Warsaw Television Service in Polish 1730 GMT 27 Nov 88

[Text] The OPZZ Assembly has approved a resolution concerning international affairs, and also defined its position on matters of implementing congress resolutions, the model and structure of trade unions, and the young generation. As for the position concerning the model and structure of the trade unions, we read:

The basis of all discussions on the future of the trade union movement in Poland is trade union pluralism, based on the fundamental principle of one trade union in each workplace, proven in practice and acceptable in our sociopolitical and economic conditions. We are opposed to attempts to shape the trade union movement by people who know the authentic working world and its concerns and problems only through theoretical discussions.

Let us add that the delegates accepted the activity of the OPZZ Executive Committee, although not unanimously.

Assembly Session Ends 27 Nov

LD2711161488 Warsaw Domestic Service in Polish 1500 GMT 27 Nov 88

[Excerpt] The Third Assembly of the National Trade Union Accord (OPZZ) ended in Lodz at 1430. Three resolutions were accepted: on the implementation of the OPZZ congress resolutions and the vital interests of working people, retirees, and people receiving annuity payments; on the model and structure of trade unions; and on the younger generation. The assembly also accepted a resolution on international matters. During the 2 day meeting, 53 delegates took the floor and 58 entered their remarks in to the protocol. [passage omitted]

OPZZ Official on Roundtable Talks

PM2710153188 Katowice TRYBUNA ROBOTNICZA in Polish 13 Oct 88 p 3

[Commentary by Andrzej Gwiazda, OPZZ Council and Executive Committee member and chairman of the Trade Union of the Employees of the B. Bieruta Steelworks in Czestochowa: "Which Way to Trade Union Pluralism? (Not Only the Roundtable Way)"; recorded for TRYBUNA ROBOTNICZA by Piotr Wrobel]

[Text] None of the sides selected to sit at the roundtable has laid down any preconditions. The trade unionists, who are also undisputed partners in the dialogue, are not dictating any terms either. As for myself, I should like to express one wish only: What we want is for our dialogue on trade union pluralism—and that issue is bound to come up during the talks—to be a debate between trade unionists. Once experts start to discuss the trade unions, the sides run the risk of involving themselves in interminable theoretical deliberations.

The starting point for the dispute on the future of the trade union movement should be recognition of the sociopolitical realities within which the unions are operating. The trade union movement in its present shape came into being in the circumstances—familiar to us all—that arose in the country after 1981. The 1982 trade unions act confirmed the shape of the preexisting model and at the same time provided the opportunity to create new trade unions on the basis of the existing law. It is not my intention to dodge the question whether the unions created in that way had their source in outside inspiration or, so to speak, in the intrinsic needs of the work force. In any case, the fact is that a new movement appeared on the sociopolitical scene. People joined the new unions without administrative pressure being applied. According to the letter of the 1982 act, trade union pluralism gave the unions freedom to formulate and approve their statutes and action programs. Trade unionists elected their own authorities by secret ballot. Those were the general precepts, and their implementation depended on the people who began to work in the reborn trade union movement. It is true that these have not always been the best people. Even today in many

enterprises trade union membership remains low—that occurs wherever the trade unions have for many reasons failed to command authority in the eyes of their work force. The question should then be asked whether this kind of movement meets the goals for which it had been created. Its structure—and here I am thinking in terms of the potential to represent the interests of its work force and the ways in which the latter can be represented—is fraught with an intrinsic danger of fossilization and needs to be changed. On the other hand, however, we must become aware of an extremely important fact: In order to survive, the trade unions must be firmly based on the existing law. If we want to change the trade union system, we should first change the law.

Were this to take place, what basic premises should we adopt? In the first place, diffusion of the trade union movement results in its weakening. It is noticeable that a multitude of programs leads directly to a situation where the unions become embroiled in a game of particular interests. In the second place, even within the currently operating structures tentative efforts are still being made by various decisionmaking bodies to influence the trade unions' position. This most definitely does not mean that we are being deprived of our autonomy—and the latest developments have demonstrated that—but the question should be asked to what extent our voice is being heeded.

Immensely important transformations are at present taking place in our system of power—transformations of which, perhaps, we are not even taking much notice, burdened as we are with our colorless daily reality. We are reassessing our attitude to views which would have been declared political heresy even a few months ago. Definition of the framework of the exchange of views is precisely one of the objectives of the roundtable talks. I believe that those talks should follow the principle of progress by stages and that the objectives for today and for tomorrow should be clearly stated. I have great respect for people who have the courage to present their reasons and arguments openly. But regarding the present day, I believe that our economy and our enterprises are too weak for us to be able to afford immediate, unlimited, wide-ranging democracy on the strength of the decisions that will be made during the roundtable talks. That would be pure utopia. Over the past 5 years we have managed to create a model which makes it possible to realize the principle of democracy in enterprises via two types of work force representation: self-management structures and the trade unions. It would be unwise to destroy this model just because it was created in the specific sociopolitical circumstances in the 1980's. This would be tantamount to going back to the square one of 1980 once more. And we cannot spare the time for going through that stage again.

I believe that the most important issues to be discussed during the roundtable talks include the Sejm elections, changes in the electoral law, changes in the Constitution, and, consequently, the setting up of the second parliamentary chamber and creation of the office of president. I think that doing this bit of homework would be enough to begin with.

I believe that we should keep the principle of one union per enterprise as a necessary component of our system of power—provided that it does not restrict its activity to representing the interests of its members alone. Let me reiterate my viewpoint: We must not dismantle the existing structures altogether. After all, we can always organize new elections to the trade union apparatus in enterprises at at the request of enterprise work forces. Pluralism of viewpoints—which is supposed to find its expression in the roundtable talks and to be transferred to all spheres of our sociopolitical life—is not a priority issue in our situation. First let us build the foundations of the new system. The principles which are going to be elaborated in the roundtable talks could be used to augment our union ranks by inviting a representation of those colleagues of ours who adhere to different standpoints. They could propose their own ideas for the trade union policy line. If they convince work forces by the strength of their arguments, those bodies should be able to introduce the desired changes into trade union statutes and their programs. I do not claim that we are infallible.

I believe that trade unionists can reach an agreement during the roundtable talks—not on the principle of counting one's chickens before they are hatched but by jointly representing the interests of their work forces. Of course, there are extreme tendencies on each side which would not allow for any compromise in the talks. When I speak of an exchange of views in the dialogue between the trade unionists, I naturally think of the constructive opposition which recognizes the existing political realities. In this way we probably could negotiate the principles of creating a trade union whose mode of operation would be viable in the framework of the new system, a system which would probably include a second parliamentary chamber where the unions could be properly represented. I believe that that particular course is all-important in our search and that it is the quickest way to transformations that will result in an enhancement of democracy and trade union pluralism.

Militia Spokesman on Militia Corruption

AU2511133988 Warsaw ZYCIE WARSZAWY in Polish 22 Nov 88 p 2

[Interview with Captain Andrzej Zaczynski, press spokesman of the Warsaw Office of Internal Affairs, by Aleksander Checko: "Investigations Into a Case of Corruption"—Warsaw, date not given]

[Text] [Checko] Captain, before I ask you about two cases which our readers have found very interesting recently, please tell me about the general crime rate in Warsaw.

[Zaczynski] Basically, it is no different from last year. We even detect a certain fall in some categories of crime. So there is no reason to fear that crime in Warsaw is on the rise. However, I do realize that statistics are one thing and society's feelings another. The crime that affects the average citizen most is breaking into apartments and private cars. I am afraid that this type of crime is not disappearing.

Another source of anxiety about the danger of crime is news about attacks on prominent people or thefts of high-value property.

[Checko] Those are the kind of cases I wanted to ask you about. As far as I know, there is no further news about the raid on the Otwock bank. How are the investigations into the death of Professor Jan Strzelecki proceeding?

[Zaczynski] Indeed, I have nothing new to say about the Otwock bank raid today. Concerning the second case, I can tell you that the militia has completed all the investigations ordered by the Voivodship Prosecutor's Office, and we do not expect any further investigations. That means that as far as we are concerned, the case is practically closed. On the basis of the results and the speed of the preliminary proceedings, I expect the prosecutor to refer the indictment to court no later than mid-December, if there are no obstacles.

[Checko] There has been more and more talk about investigations into a case involving two militiamen, probably from the two district militia offices in Praga. What do you have to say about that?

[Zaczynski] Investigations into this case began in June 1988 at the militia's initiative and on the basis of the militia's own findings. At present, investigations are being conducted by the Warsaw Voivodship Prosecutor's Office, with the active participation of the Militia High Command.

All I can say right now is that the case has many threads. So far, evidence has been gathered which indicates organized, speculative sales of thousands of liters of vodka at several sales points; illegal exchanges of foreign currency (tens of thousands of dollars), and bribery of militia officers.

The investigations involve several dozen suspects. The prosecutor has accused five present and two former militiamen, six of them officers and one of them a sub-officer, of corruption. Generally speaking, these men accepted goods proffered to them in order to make them turn a blind eye to these dealings. They are all in custody.

I realize this information sounds rather vague right now, but for the sake of the investigations, that is all we can say for the time being. Even though your newspaper asked us earlier, we have not been able to answer until today. We will inform you of developments as much as we can.

Demonstration at Consulate in Australia

'No Incidents' on 26 Nov

LD2611144888 Belgrade TANJUG in English 1010 GMT 26 Nov 88

[Text] Sydney, November 26 (TANJUG)—Around 350 members of the anti-Yugoslav Chetnik emigration, Serbian chauvinists, today demonstrated in front of the Yugoslav general consulate in Sydney.

The alleged motive for today's gathering of Chetniks, a quisling formation established during World War Two in Yugoslavia, was the situation in the Yugoslav Autonomous Province of Kosovo.

Police security around the consulate was strong and there were no incidents.

Boy Shot Outside Consulate on 27 Nov

BK2711092188 Melbourne Overseas Service in English 0500 GMT 27 Nov 88

[Text] A 15-year-old boy has been shot and wounded during a demonstration outside the Yugoslav Consulate in Sydney. The boy was rushed to the hospital and was reported to be in stable condition with a gunshot wound in the throat.

There are reports that a volley of shots have been fired at demonstrators from inside the consulate grounds, but these are yet to be confirmed. Police and special operations units have been rushed to the consulate where the crowd has gathered.

Meanwhile in Melbourne, police arrested 13 people during a wild demonstration by members of the city's Croatian community (?angry at) Yugoslavs celebrating their national day.

About 300 Croatians converged at (Gaily) Park in southeast Melbourne, as Yugoslavs mark the formation of the Socialist Republic of Yugoslavia. As the hours wore on, the Croatians began hurling objects as mounted police helped by the dog squads moved in to break up the protest.

One policeman was treated in hospital for injury to a hand. A total of 28 charges are to be laid including assaulting police, injuring police, assault by kicking, indecent language, and discharging missiles.

[Melbourne Overseas Service in English at 0800 GMT on 27 November reports: The Yugoslav ambassador to Australia has been ordered to meet Foreign Affairs officials in Canberra to give details of a shooting today outside the Yugoslav Consulate in Sydney. A 13-year-old [as heard] boy was shot in the throat as he and about 1,500 other Croatians held an annual demonstration outside the consulate on Yugoslavia's national day today. The boy was rushed to the hospital, and the last report was said to be in a stable condition. Hospital officials said that he is lucky to be alive.

[Preliminary police report claimed the shots were fired at the demonstrators from the inside the consulate grounds.

[Radio Australia Sydney office has said that during the demonstration about 6 youths climbed the wall of the Belgian Consulate and then crossed into the grounds of the Yugoslav Consulate, apparently to pull down the Yugoslav flag. The New South Wales and the federal government have called for a full report on the incident.]

Further Report on Shooting

BK2711080088 Hong Kong AFP in English 0745 GMT 27 Nov 88

[Text] Sydney, Nov 27 (AFP)—A 15-year-old boy was shot and wounded during a demonstration outside the Yugoslav Consulate here on Sunday police said.

A police spokesman said the incident occurred when hundreds of Croatian demonstrators tried to tear down fences and storm the consulate.

Several shots were fired, one of them hitting the teenager in the throat.

The spokesman said the shots appeared to have been fired by someone from the consulate.

The demonstrators immediately dispersed and the wounded teenager was taken to hospital where he was reported in a satisfactory condition.

The spokesman said no arrests had been made and no weapons had been recovered.

Police investigations were being hampered because consulate staff were claiming diplomatic immunity, he said.

The spokesman said police reinforcements were called to the consulate, in the plush inner suburb of Woollahra, when some 1,500 demonstrators tried to break into the compound.

"A number of people got over the rear fence and the crowd in front got a bit excited," he said.

"A number of shots came from inside the consulate grounds.

"Police so far have not been able to identify who fired the shots."

It was the second protest outside the consulate in two days. On Saturday some 500 Serbs took part in a demonstration to draw attention to the alleged persecution of Serbians by (?Albanians) in Yugoslavia.

In a related incident in Melbourne on Sunday, mounted police and dog squad officers were called to break up a demonstration at a city park by some 300 Yugoslavs.

Hawke Says Shooting 'Intolerable'

BK2811064088 Melbourne Overseas Service in English 0500 GMT 28 Nov 88

[Text] Australia's prime minister, Mr Hawke, says the shooting of a teenage boy outside the Yugoslav Consulate in Sydney yesterday is intolerable and totally unacceptable. Mr Hawke told federal Parliament that the government expected full cooperation from the consulate and the Yugoslav Embassy with Australian investigations into the incident.

The prime minister said the Yugoslav authorities had agreed to three conditions requested by Australia. These were that the security guard alleged to have shot the boy would not leave Australia, that the man would be available to be interviewed by police, and that the firearm used would be surrendered to police.

Mr Hawke said the government was examining Yugoslav claims that the Australian security provided to the Sydney consulate during Sunday's demonstration was insufficient. However, the prime minister says regardless of the provocation, the use of firearms was totally indefensible.

Meanwhile, the Yugoslav Government has lodged a strong protest with Australia over the incident, claiming that Australian police did not intervene when the consulate came under what it called mean and hostile attack.

The boy shot at the consulate is in stable condition in hospital after an operation to his throat.

No Questioning of Suspect

BK2811085988 Hong Kong AFP in English 0749 GMT 28 Nov 88

[Excerpt] Sydney, Nov 28 (AFP)—The Yugoslav Government on Monday refused police permission to question a man sought in the shooting of a teenager during a demonstration by 1,500 Croatians at the Yugoslav Consulate, police said.

A spokesman said that the Yugoslavs, who earlier agreed to cooperate with the investigation, also would not give up the gun used in the incident Sunday.

Police said a member of the consulate staff shot Australian-born Josef Tokic, 16, [as received] in the neck when some Croatians attempted to storm the mission during a protest on Sunday.

The Australian Government announced Belgrade's cooperation in the inquiry Monday, but hours later police said the Yugoslavs had refused to give the suspected gunmen up for questioning.

"They have gone back on their word, they will not let him leave the premises," the spokesman said, adding that word of the change in attitude came from the special police branch in Canberra.

"There is a warrant out for the arrest of the gunman," he said. "We don't know whether he has diplomatic immunity. We believe he is of Yugoslav descent."

While the teenager remained in serious condition in hospital, Prime Minister Bob Hawke warned that Australians did not want to see their country become a battleground for ancient, foreign conflicts.

He told Parliament that the government accepted its responsibility to protect diplomatic and consular offices.

"But I emphasise that whatever the provocation involved in the intrusion of the consulate grounds and the attempt to pull down the Yugoslav flag, the use of firearms in response is totally unacceptable," Mr. Hawke said. [passage omitted]

'Energetic' Yugoslav Protest

LD2711234788 Belgrade TANJUG Domestic Service in Serbo-Croatian 1440 GMT 27 Nov 88

[Text] Belgrade, 27 Nov (TANJUG)—Ilija Djukic, assistant federal secretary for foreign affairs, today lodged with (P. Shannon), the Australian charge d'affaires, the most energetic protest of the Yugoslav Government over the crude and hostile attack on the integrity of the SFRY Consulate in Sydney committed today and witnessed by the Australian police present.

During this attack, a group of hostile demonstrators, members of the pro-Ustasa [Yugoslav Nazi] emigration, penetrated the courtyard of the consulate and tried to desecrate a Yugoslav state flag and forcefully enter the premises.

In the absence of any intervention on the part of Australian police to prevent this violence, consulate personnel physically opposed the attackers. Warning shots were fired in the air in self-defence from the consulate building.

The assistant federal secretary for foreign affairs conveyed to the Australian side the extreme anger of the Yugoslav Government and public because of continuing failure to take necessary measures of protection, security, and dignity of the Yugoslav diplomatic and consular missions, their representatives and personnel in Australia. He cited the pro-Chetnik demonstrations held the day before and warned that new anti-Yugoslav demonstrations are scheduled.

The demand was also made in this connection for all essential measures to be immediately undertaken for the full protection of Yugoslav diplomatic and consular missions and for the arrest and punishment of the

perpetrators of these terrorist attacks, because they are not directed only against Yugoslavia, but also against stable Yugoslav-Australian relations and cooperation.

Assistant Federal Secretary I. Djukic conveyed the expectation on the Yugoslav side that it be urgently informed of the measures which the Australian authorities have undertaken in connection with the attack on the SFRY Consulate in Sydney.

The Federal Secretariat for Foreign Affairs has also sent the SFRY ambassador in Canberra instructions to lodge an energetic and sharp protest.

Bomb Threat at Sydney Consulate

LD2811102188 Belgrade TANJUG Domestic Service in Serbo-Croatian 0950 GMT 28 Nov 88

[Text] Sydney, 28 Nov (TANJUG)—At about 1900 Australian time, 27 November, an anonymous person issued a threat to representatives of the Yugoslav Consulate in Sydney saying that a bomb will be thrown at the consulate building.

The representatives of the Yugoslav Consulate told Australian police and members of special bomb-defusing units with sniffer dogs, detectors, and drug detection equipment carried out a detailed search of the consulate grounds but found no explosive device.

The anonymous threat was made folllowing the attack yesterday by members of a pro-Ustasha emigration group against the Yugoslav Consulate in Sydney.

U.S. Decision on 'Arafat Visit 'Incorrect'

AU2711200788 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 27 Nov 88

[Milutin Milenkovic commentary]

[Text] The decision of the U.S. Administration not to grant a visa to Yasir 'Arafat to attend the United Nations' General Assembly in New York was received with great surprise throughout the world and, as our commentator points out, will be a subject of fierce political and international-legal discussions in the world organization. Here is a commentary by Milutin Milenkovic:

It is unusual, unexpected, and incorrect that the leader of the legitimate PLO should not be granted a visa to visit the United Nations following the conference of the PLO National Council at which all four basic requirements demanded from the PLO by Washington and West Europe were in fact satisfied. These requirements are: to recognize Israel and its right to peaceful existence; to accept the Security Council's resolutions number 242 and 338; to envisage the creation of a Palestinian-Jordanian confederation; and to resolutely condemn terrorism.

The conference of the PLO National Council has in essence fulfilled all these requirements with the texts of the declaration on independence and the general resolution on the political-program in order to clear the way for a peace conference on the Middle East.

Immediately after the meeting of the PLO National Council in Algeria, the American news agency the ASSOCIATED PRESS published a commentary which stated among other things the following: Recognizing Israel and denouncing terrorism represent an important breakthrough in a peace process. This is a serious attempt to find a way out of the impasse.

A White House spokesman, Fitzwater, stated that the U.S. Government saw positive elements in the statement issued by the PLO National Council. These elements are especially laying the foundation for a peaceful way of resolving the conflict, and implicitly mean the recognition of Israel, Fitzwater stressed.

It was expected with great attention and considerable hope that the U.S. Government and state leadership would come up with a more complete view on the further chances for peace and realizing the principle of partitioning Palestine so that both Jewish and Arab peoples are provided with a part of their joint homeland.

By his visit to the United Nations General Assembly and a speech in front of the highest world forum, Yasir 'Arafat was expected to confirm and further clarify the platform for and ways of finding peace in the Middle East, and to make such steps for other interested and authoritative parties easier.

Yasir 'Arafat was invited by the United Nations, which has long recognized the PLO as an observer. The decision of the U.S. Government not to grant a visa to 'Arafat represents a political slap in the face of the United Nations. There is also a legal aspect to consider. Let us recall the inglorious end of the affair caused by the decision of one U.S. Government department to close the PLO New York office which was opened under the auspices of the United Nations. This act was rejected by an appropriate U.S. court after it had caused great political damage and polemics in the relations between the United States and the majority members of the United Nations and on the U.S. political scene itself.

It appears that this latest decision to reject 'Arafat's visa is a temporary victory for the Israeli lobby in the U.S. circles of authority, a victory which should reinstate vary shaken trust between the United States and Israel. This is probably not an isolated step. One could expect other steps by the U.S. Government toward the Middle East, perhaps steps in a different direction. These steps would, one could say, require the confirmation of the balance of influence and readiness to recognize not only one set of interests, but above all Israel's interests.

Federal Chamber on Stanovnik's Unacceptable Claims

LD2511001588 Belgrade TANJUG in English 2246 GMT 24 Nov 88

[Text] Belgrade, November 24 (TANJUG)—The Federal Chamber of the Assembly of Yugoslavia today adopted conclusions on the statements made by Slovenian Presidency President Janez Stanovnik during his stay in the United States, noting that he put forward several unacceptable claims and assessments which would have harmful effects.

This pertains to the statements about the country's overall situation, policy of the leadership and individual top leaders of the Republic of Serbia, as well as some other developments and internal relations in Yugoslavia.

In addition to Stanovnik's statements, the delegates assessed as unacceptable also when the country's most responsible state officials make similar statements about internal conflicts and differences between political leaderships when on officially or privately abroad. Such statements are inappropriate to the obligations of the most responsible state officials and very damaging to the country's prestige and interests in the world, the delegates concluded. Such statements also reflect negatively on the situation and relations in the country.

The Chamber also noted that it was not in line with Yugoslavia's foreign policy and relations between subjects in the country if the activities concerning Yugoslavia by state officials abroad were discussed and the responsibility of the official decided upon exclusively in his republic. Such statements may be legitimately discussed and the correctness of a particular action assessed also by organs of the federation.

The Chamber also warned that it was the duty of any state official abroad to act in accordance with the commonly defined foreign policy of Yugoslavia.

Iranian Foreign Minister Velayati Visits

Dizdarevic Receives Velayati

LD2311234688 Belgrade TANJUG in English 1927 GMT 23 Nov 88

[Text] Belgrade, Nov 23 (TANJUG)—Relations between Yugoslavia and Iran are developing successfully as a result of regular contacts and a continued political dialogue between the two countries' officials, Yugoslav State Presidency President Raif Dizdarevic and Iranian Foreign Minister 'Ali Akbar Velayati said in their talks here on Wednesday.

Expressing a mutual wish for continuing the dialogue, both sides confirmed their interest in advancing all forms of bilateral cooperation, particularly in the economic sphere. The latest positive developments in the Gulf create even more favourable conditions for comprehensive cooperation between Iran and Yugoslavia, it was said in the talks.

Velayati, who is on a working visit to Yugoslavia, briefed Dizdarevic on the current stage of Iran-Iraq peace talks in Geneva, underlying Iran's wish for a lasting, comprehensive and honorable peace in the region.

Dizdarevic said that Yugoslavia will continue to actively support all efforts contributing to an efficacious implementation of Security Council Resolution 598 and estabishment of lasting peace in the region.

Loncar Talks With Velayati

LD2311234288 Belgrade TANJUG in English 1534 GMT 23 Nov 88

[Text] Belgrade, Nov 23 (TANJUG)—Yugoslavia and Iran are ready to broaden cooperation in all fields to their mutual interest, Yugoslav Foreign Affairs Secretary Budimir Loncar and Iranian Foreign Minister 'Ali Akbar Velayati stressed here today. Velayati arrived on a brief working visit to Yugoslavia this morning.

The Loncar-Velayati talks confirmed that there are no obstacles on the path of overall promotion of Yugoslav-Iranian relations.

Speaking about Iran's stands on Iran-Iraq peace talks, Velayati stressed that Tehran highly appreciates the mediating efforts of the U.N. secretary-general and expressed optimism regarding further negotiations which should continue in December and January.

The Yugoslav-Iranian dialogue at the ministerial level also included developments in the Middle East, other focuses of crisis, global trends in the super power relations and other major issues of international relations.

The talks also focused on activities and ways of action of the Nonaligned Movement.

Velayati Concludes Visit, Departs

LD2311235488 Belgrade TANJUG Domestic Service in Serbo-Croatian 2123 GMT 23 Nov 88

[Text] Belgrade, 23 Nov (TANJUG)—Iranian Foreign Minister 'Ali Akbar Velayati this evening ended his 1-day working and friendly visit to Yugoslavia and left Belgrade.

At Surcin Airport, the Iranian Foreign Minister was seen off by Budimir Loncar, federal secretary for foreign affairs.

Immediately prior to his taking off on a regular JAT [Yugoslav Airlines] flight to Athens, Velayati stressed to TANJUG Yugoslav-Iranian relations are developing well and that both countries are interested in cooperating even more closely in all areas in the future. He added that his talks with Budimir Loncar, federal secretary for foreign affairs, were very fruitful, as was his meeting with Raif Dizdarevic, president of the SFRY Presidency.

Yugoslavia and Iran are also determined to strengthen their cooperation in the framework of the Nonaligned Movement, 'Ali Akbar Velayati stated.

Asked how he views the prospects for the peace process with Iraq, the Iranian foreign minister said that unfortunately, in the last round of negotiations, progress on key questions was not achieved. We will continue to cooperate with the UN secretary general, and we really hope that all the members of the UN Security Council will also support the efforts of Perez de Cuellar in the future, the Iranian minister stressed.

'Ali Akbar Velayati concluded that Iran has accepted the UN secretary general's four-point peace plan and that "if both countries do this, we can be optimistic about the final outcome."

3 LCY Central Committee Members To Resign

LD2511195188 Belgrade TANJUG Domestic Service in Serbo-Croatian 1856 GMT 25 Nov 88

[Text] Ljubljana, 25 Nov 88 (TANJUG)—Members of the Slovene LC Central Committee ended their 10-hour session this evening. At the end of the session, they were informed that three members of the LCY Central Committee: Stane Dolanc, Marjan Orozen, and Janez Zemljaric would tender their resignations to these functions. The only reason, as Milan Kucan pointed out, is their incompatibility with other functions in other sociopolitical organizations, which is the new criteria for membership in the LCY Central Committee.

Orlandic Reports on Nationalities Situation

LD2511224588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1617 GMT 25 Nov 88

[Excerpts] Bar, 25 Nov (TANJUG)—If the 17th LCY Central Committee session was a landmark in the political action of the LCY, if in this sense it justified the expectations because it manifested resolve to preserve the authenticity of the Yugoslav revolution and preserve in the course of the three reforms, and if it overcame the differences in the constitutional changes and opened the process of cadre renewal, the phenomena and tendencies which appeared after this important meeting must give rise to concern. Moderate optimistic enthusiasm unfortunately was short of breath, and there is a danger that the results of this session may melt away.

This are the main conclusions from today's report by Marko Orlandic, member of the LCY Central Committee Presidium, at a citizen's meeting in Bar, in which the greatest attention was devoted precisely to what threatens, in a way, to devalue the achievements of this important political meeting of Yugoslav Communists. [passage omitted]

Orlandic devoted the largest part of his report to the situation in Kosovo and all that was happening in this province in the past days. Noting that the situation was aggravated after the 17th session, Orlandic said that there was a great deal of indecision in view of differentiation and the establishing of responsibility for failure to implement the conclusions of the ninth LCY Central Committee session.

Orlandic stressed, "Not even the warning which the LCY Central Committee gave to the provincial committee at the 17th session was understood in a way which would require more vigorous measures in line with resolute tightening of responsibility and cadre consolidation of all structures in the province, especially in organs of the LC. The leadership is isolated, burdened with lack of unity, and—the worst—divided on a national basis, separated from the grass roots, which has led to exhausting sessions, instead of resolving concrete problems". In this connection, he drew attention to the need that the LCs of Kosovo, Serbia, and Yugoslavia should proceed from a unanimous assessment of events; from the same purpose, tactics, and strategy; and, even more importantly, from a broad joint front consisting of all Albanians, Serbs, and Montenegrins in the struggle against the counterrevolution.

In the assessment of the LCY Central Committee Presidium member, there were no serious excess situations in the latest protest gatherings of citizens of the Albanian nationality in the province, though verbal excesses dominated which deserve special attention, including: "We want the constitution of 1974". In Orlandic's view, changes to the Serbian Constitution were not sufficiently explained to citizens of the Albanian nationality in Kosovo, likewise the stands of the 17th session on this matter. And this stand is very clear, he stressed, that is, Serbia as a republic should be constituted on its entire territory in the fields of constitutionality, legality, national defense, international relations, and the official use of language, while at the same time not reducing the competence of the provinces.

Orlandic stressed that there should be a consistently expressed stand in our entire politics whereby all citizens, especially Serbs and Montenegrins, should be guaranteed their rights which are now threatened. But this will not be done at the expense of the Albanian nationality. [passage ommitted]

Enumerating other negative tendencies after the 17th session, Orlandic mentioned the exacerbation of intranational relations, the escalation of conflicts amongst

leaderships, calling people to account, and discrediting—an unprincipled character—which are all, as he stressed, objectively aimed at paralyzing the leaderships and diverting the attention of the public from the key problems of the country. Tendencies of national homogenization have intensified, national interests have overpowered the working-class ones, and in such conditions it is becoming increasingly difficulty to pinpoint a common denominator; threats to seriously destablize the country are becoming reality. [passage omitted]

Dwelling on the events in Montenegro at the beginning of October, as well as on the Titograd-Niksic road in particular, Orlandic said that there was a great deal of unselfcritical and malicious approaches and interpretations.

In the conclusion of his report, Orlandic said that the highest party forum will soon have to discuss all these negative tendencies and phenomena which are continuing even after the 17th session and, if need be, convene a special session of the LCY Central Committee in order to overcome every opposition to action, which leads to the diluting of the spirit and conclusions of this session. "We must neither allow its results to melt away nor the undermining of the gains of the revolution and the melting away of the great idea of brotherhood and unity, because the consequences will be serious and unforseeable both for the internal stability of our country and our international status and prestige in the world," said Orlandic at the end.

Kosovo Reserve Officers Discuss Kosovo Protests

AU2511194888 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 25 Nov 88

[Text] The Kosovo Reserve Officers Federation Provincial Conference Presidium today discussed the 5-day mass demonstrations in Pristina and other Kosovo towns. Here is a report by Milivoje Mihajlovic:

The Presidium of the Provincial Conference of the Kosovo Reserve Officers Federation assessed today that members of this organization must make a greater contribution to the stabilization of the circumstances which have arisen in Kosovo since the 5-day mass demonstrations of Albanians.

It was said that there is no complete information on whether the reserve officers participated in the gatherings, but it was warned that it could not be confidently stated that there were no members of the federation among the 100,000 people in front of the provincial committee building. According to communal organizations, a number of reserve officers attempted to prevent the gatherings and arrival of citizens in Pristina.

It was stressed that there must be political activity to prevent further a polarization of Kosovo people on a national basis. The damage done by single national gatherings was also pointed out.

This session also warned of the need for greater vigilance considering that there have been attempts by destructive forces to use the mood of citizens for their own ends. It was stressed that such forces even desire new gatherings and the use of force to prevent them, in order to create an even greater interethnic gulf.

It was warned that the leaderships of Serbia and Kosovo should coordinate assessments of these events as soon as possible because this is, as it was said, the basic condition for joint action.

The view was also heard that there have already been negative reactions in the province to the Serbian leadership's assessment of the events in Kosovo which was given the day before yesterday.

Bujan Resolution on Albanian Secession Invalid

LD1711230888 Belgrade TANJUG in English 1930 GMT 17 Nov 88

[Text] Belgrade, November 17 (TANJUG)—A resolution dealing with the unification of parts of Yugoslavia with Albania and the right of ethnic Albanians in Yugoslavia to self-determination and secession, adopted at a conference held in the village of Bujan on Albanian territory on December 31, 1943 and January 1, 1944, was qualified as invalid by the Assembly of Yugoslavia Foreign Policy Committee today.

The Bujan resolution ran counter to the decisions of the second AVNOJ (Anti-Fascist Council of National Liberation of Yugoslavia) session held in late November, 1943. It was on the basis of the decisions of the second AVNOJ, the war-time parliament in Yugoslavia, that new Yugoslavia was created in the course of the national liberation struggle.

The Bujan conference documents, especially the resolution, ran counter to the positions of the Communist Party of Yugoslavia on the national question and also to international law, which does not recognize the right of national minorities to secession, as set out in the Assembly of Yugoslavia today.

The Bujan conference, as underscored in the Assembly of Yugoslavia today, could not have had any legal repercussions on the territorial integrity and sovereignty of Yugoslavia or any of its parts. All legal acts subsequently adopted on the basis of the Bujan resolution, themselves, ran counter to the Yugoslav Constitution, as specified today.

In the assessment of the Yugoslav Federal Government, the Bujan Resolution was a political and not a legal act and it did not produce any legal consequences for Yugoslavia's internal and external relations. At the same time, the resolution's political influence did not produce any legal acts which could have affected Yugoslavia's territorial integrity.

No border issue exists between Yugoslavia and Albania, since both countries recognize the 1926 international protocol, as set out in the Assembly of Yugoslavia today. Attention was drawn, however, to the fact that the question of borders is raised by Albanian publicists, especially so in the Albanian pamphlet Titoites.

The Bujan documents could not have had any validity on the territory of Yugoslavia or any of its parts without being ratified, which they never were, as underscored in the Yugoslav Federal Legislature today.

Program To Halt Kosovo Emigration Slowing Down
LD2311164788 Belgrade TANJUG Domestic Service in Serbo-Croatian 1650 GMT 22 Nov 88

[Summary] Pristina, 22 Nov (TANJUG)—About 1,900 Serbs and Montenegrins emigrated from Kosovo between January and September this year. Municipal commissions whose job it is to stop emigration have so far received emigration applications from 500 Serbs and Montenegrins. This was stated by Raif Vrmica at today's session of all three chambers of the Kosovo Assembly in his report on the implementation of the program of tasks and measures to halt the emigration of Serbs and Montenegrins from Kosovo.

After the debate, the delegates assessed that the program was not efficiently implemented. Vrmica also stressed that the number of highly skilled people leaving Kosovo is growing. According to official figures, the number of those who returned is not insignificant: in the first 9 months of the year, 550 people returned and 325 Serbs and Montenegrins obtained jobs. In his capacity as chairman of the Assembly Commission for the Implementation of the Yugoslav Program on Kosovo, Vrmica said that the main reason for the undiminishing emigration is the intensified activity by Albanian nationalism and the unstable political situation in the province.

In adopting the report on the implementation of the Yugoslav program on Kosovo, the delegates noted that the implementation is not proceeding as planned. Some federal organs are also to blame for not fulfilling their obligations in this context. The delegates criticized the statement by Hasim Redzepi, member of the Kosovo LC Provincial Committee, to foreign journalists in Belgrade in which he provided misinformation about Kosovo. Delegate Rabit Redzepi, until recently chairman of the Commission in Charge of Preventing Emigration, said that in the last 6 years, 15,000 Serbs and Montenegrins have emigrated from Kosovo and that only 3,000 of them had jobs. He also said that in addition to Albanian nationalism, Serbian and Montenegrin nationalisms, too, exerted an influence on continued emigration.

Albanian Intelligentsia Petitions Central Committee
AU2311144488 Belgrade BORBA in Serbo-Croatian 11 Nov 88 p 5

[Text of the "Petition of Philosophers, Sociologists, Writers, and Teachers of Albanian Language From Kosovo Concerning Events in Macedonia"—quotation marks as published]

[Text] Pristina, 10 Nov—After holding separate meetings on 27 October this year, the members of the Kosovo Society of Philosophers and Sociologists, the Kosovo Writers Association, and the Kosovo Association of Teachers of Albanian Language and Literature decided to send a petition to the SFRY Assembly, the SFRY Presidency, the LCY Central Committee Presidium, and the Constitutional Court of Yugoslavia. The petition states:

"We are deeply affected and disturbed by the measures which have been taken for some time—and recently more intensively—against members of the Albanian nationality in the SR of Macedonia, and which threaten and limit their basic constitutional and human rights. We will only mention some of the measures that have affected and embittered us in particular.

Repressive Measures

At the beginning of September in Kumanovo, and several weeks later in Gostivar, the security organs brutally intervened against Albanian secondary school students and their parents and teachers because they publicly protested against the decision of the education authorities of the SR of Macedonia depriving them of the possibility of continuing their education in Albanian as their mother tongue. This is happening when various mass protest meetings are organized for various reasons in order to put forward various political and other demands, and when the security organs are showing maximum restraint, except when the system is threatened. In Macedonia, however, repressive police measures are even taken against teenage pupils even though their demands did not threaten the constitutional order, but in fact called for respect for the Constitution. In other words, their demands contained a demand not to abolish the right to education in their mother tongue in secondary schools, a right that had been enjoyed by all generations of Albanians in the SR of Macedonia from the liberation until recently. Moreover, not only were they prevented from expressing their dissatisfaction, but the bureaucracy in the SR of Macedonia treated them as a mob, as the warriors of the "counterrevolution" who only deserve the "democracy" of a nightstick as well as expulsion from all schools in Yugoslavia. We do not understand why one needs a nightstick to convince Albanian secondary school students rather than other

normal means which must exist in a legal state. The laws and regulations on schooling, which have been adopted in an undemocratic way, cannot be used as an excuse for applying force.

We do not think that the use of force is further proof, if not the key proof, that abolishing lessons in Albanian in the secondary schools in Macedonia is one of the direct expressions of the state arrogance of Macedonian nationalism and the reason why it does not feel obliged to respect the SFRY Constitution and the Constitution of the SR of Macedonia which guarantee Albanians the same rights to education in their mother tongue as are enjoyed by all other peoples and nationalities in Yugoslavia.

Applying restrictive measures against Albanians in this and other cases is justified by the need to fight against Albanian nationalism and separatism, but we do not understand at all why these measures are generally restrictive and affect the entire Albanian population. Does this mean that education and other authorities in Macedonia think that Albanian nationalism is manifested through the fact that Albanians want be educated in their own mother tongue?

There Is No Justification

Another reason mentioned is that, because they are educated in their mother tongue, Albanian pupils are alienating themselves from the communities in which they live because they do not know the Macedonian language sufficiently. However, this cannot be an excuse for introducing the so-called mixed classes because that would legalize the extinction of the Albanian language and open up a process of gradual assimilation of Albanians. The "mixed-parallel classes" that are being introduced instead of the so-called "ethnically pure classes" are nothing but classes in which lessons are conducted in Macedonian, which is to say parallel lessons in Macedonian with the ethically mixed members. Judging by the latest articles in influential Macedonian newspapers and the statements made by some top officials, it appears that educational and other bureaucracies in this republic are working on the introduction of "mixed-parallel classes" in the primary schools. This measure would completely reveal the tendency toward the assimilation of those Albanians who cannot give up their identity and national pride.

We are currently witnessing yet another brutal action by the authorities in Macedonia, which mainly affects members of the Albanian nationality. This action concerns the demolition of illegally built houses in the Dizonska settlement of Cair commune. According to TANJUG information this action involves houses accommodating some 12,000 citizens of mainly Albanian nationality. Without disputing the legality of this decision of the relevant organs in Cair commune, or the need to carry out such legal action against illegal building and disrespect for the law and other building regulations in Skopje, Macedonia, and Yugoslavia, we believe that such an action, and the time at which it is being taken, is an extremely politically and morally problematic act that could have very serious interethnic consequences in Macedonia because it will be understood as yet another form of frightening and humiliating ethnic Albanians. In connection with this case, we would like to know where the 12,000 people are going to be accommodated if this action is carried through. Was the action preceded by an analysis of the situation and responsibility and did the relevant organs inquire into who is responsible for the newly created situation? Who is actually responsible for this situation, those who built houses illegally, or those who tolerated this for years although they are responsible for preventing illegal construction. Where were the Macedonian bureaucracy and inspection organs and what did they do at the time when the citizens, who are now being thrown out, were trying to solve their existential problems? What did the bureaucracy do with social programs? Does the bureaucracy know how many Albanians in Skopje work in the social sector and how many of them have state accommodation? Is demolition really the only way of sanctioning disrespect for the law? Were many of these people not pushed to manage as best they could and to build houses illegally mainly because the state and other bureaucracy did not have the time or the will to tackle their problems? Do those who permitted the illegal building to spread not deserve to be sanctioned before those who could not obtain building permits through legal channels? We would be interested in knowing whether the responsible officials from the relevant departments, or even entire leaderships of Cair Commune and Skopje City Commune have been punished at all for their sloppiness, lack of care, and even corruption?

There are many questions, but we think there is only one answer. The action was taken not to protect law and order, but to punish Albanians who live in this predominantly working class settlement.

Unresolved Case

The broader Yugoslav public has not received an explanation of the case of militia intervention in the demolition of houses in Albanian villages around Kumanovo, which was the reason the inhabitants of theses villages protested and subsequently sent a delegation to the SFRY Assembly. We would like to know why houses were destroyed in villages in which building plans do not exist and in which the walls around the houses, in addition to the traditional function of defining living quarters, in many case also have an economic function, which is to say drying tobacco. We also want to know what repressive measures have been taken against those who resisted the knocking down of these walls.

We do not want to mention any other cases of maltreatment and harassment of Albanians in Tetovo, Kicevo, Struga, and other places in Macedonia. If one is to believe the press, and there is no reason not to, in some

places in Macedonia such as Ohrid, Albanians are banned from purchasing property. We are convinced that this practice of discrimination and segregation of Albanians can only compromise the SR of Macedonia and the SFRY in the eyes of both our and world progressive public.

However, in order not be accused again of being passionate and subjective and of being paternalists who shed crocodile tears over the fate of the Albanian nationality in Macedonia (we do not dispute what has been achieved in ensuring the rights of Albanians in Macedonia, but the present practice of rescinding these rights), we demand that not only the organs of authority in Macedonia but also the federal organs, above all those who are in charge of protecting the system and the constitutional order of the country, take a stand on the Kumanovo, Gostivar, Skopje, and other cases and the general political attitudes toward Albanians in Macedonia. Instead of ideological exchanges between the state organs of one republic on the one hand, and the members of one nationality in that republic on the other, as well as those who just like us intervene from the side, we think that it is necessary to establish a federal, neutral, and objective arbitrage on the policy toward Albanians in Macedonia. Therefore we propose:

The Need To Set Up a Commission

—That the SFRY Assembly sets up a special commission to examine all the circumstances which led to the use of force in Kumanovo and Gostivar, as well as in all other cases that have been reported to this commission by citizens. It would be the task of the commission to formulate an objective analysis of the entire policy toward Albanians in Macedonia. The commission would inform the assembly delegates of its findings and they would then be debated in the assembly.

—That the SFRY Constitutional Court assesses the constitutionality of special measures taken against Albanians in Macedonia and especially the constitutionality of the practice of scrapping education in the Albanian language.

—That the SFRY Presidency takes measures to prevent the use of force against peoples in those cases where they are protesting for legitimate reasons and are not threatening in this way the system and order, as was the case in Kumanovo and Gostivar, which did not involve any counterrevolution but a demand that education in the Albanian language should not be scrapped.

—That the LCY Central Committee Presidium holds a discussion on the policy toward the Albanian nationality in Macedonia, as it has on several occasions discussed the position of Serbs and Montenegrins in Kosovo so that one could arrive through a well-argued discussion at clear assessments as to whether this policy is on the line of the LCY program orientations, or whether it deviates from them.

Expressing our views and giving our assessments about the repressive policy toward Albanians in Macedonia in the above mentioned cases, we do not want to prejudge matters. We only stress that this is our view on the problem, that we feel our citizens' duty to present it in this form, and that this is in the interest of the entire Yugoslav society. If anyone is able to convince us with facts that we are wrong, we would change our current perception and beliefs with pleasure. However, it appears to us that such arguments do not exist and that they can only be replaced by the argument of force. We condemn all forms of violence against the people as well as their beliefs.

Finally, in order to avoid misunderstanding, we state that with this petition and the demands which we have expressed we do not in any way question the sovereignty of the SR of Macedonia as the state of the Macedonian people and the Albanian, Turkish, and other nationalities which live in it. On the contrary, we want to confirm this sovereignty and would like it to become stronger through the removal of all causes of the present aggravation in interethnic relations, including Albanian as well as Macedonian nationalism which is embodied in bureaucracy's self-will. We think that a section of Macedonian bureaucracy has chosen the wrong way to enhance the statehood of Macedonia by increasing internal repression and the imposition of an outdated model of interethnic relations which favors a "statemaking" [drzavotvoran] Macedonian nation, but discriminate against the nationalities which, being minorities, cannot "establish a state," or which threaten this statehood. Surrounded by states, governments, and other political and religious organizations which also deny the very existence of the Macedonian nation, the SR of Macedonia can become stronger and a more reliable protector of the Macedonian nation if it was only stable and strong within itself, if it establishes harmonious interethnic relations, if it ensure full respect for cultural and national rights for the nationalities and if it fully follows Tito's policy of brotherhood and unity."

The petition is signed by Skeljzen Malici, Ibrahi Rugova, and Idriz Ajeti on behalf of the three aforementioned associations.

Slovene Central Committee on Political Situation

[Belgrade Radio]
AU2511181488 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 25 Nov 88

[Text] The Slovene LC Central Committee today discussed the tasks of Slovene Communists in the present heightened circumstances. The session focussed on the question of how to approach the successful realization of the three reforms which the 17th session of the LCY Central Committee has given priority. Here is a report from Relje Atanasijevic from Ljubljana:

In tense circumstances and while the crisis is deepening, the Slovene LC Central Committee today attempted to give a complete picture of the activity of communists in the period after the federal and republican conferences, as well as of the well-known events in Slovenia in the last 6 months.

As Sonja Lokar vividly expressed it in her opening speech, the situation is like walking on ice and ideological and political fronts are clouded, unclear, and extremely polarized. In such a situation, much energy is spent in making it possible for people to see who is for what and who is against what. Even the party membership itself is in a quandary. Some say: Tell us what to implement and how; others recommend that decision-making in the Central Committee be democraticized. Differences in interests are obvious in the LCY and among the republics and provinces. Unfortunately, the LC did not sufficiently take the initiative after the conference and this has led to the passivization of the membership and to a thinning of the ranks of Communists.

Particularly stressed was the task of the Slovene LC to spread the democratic possibilities of decisionmaking in all areas of life and work. However, the descent of the party from power cannot be seen in such a way that its place is taken by other pretenders to power which could make monopolistic decisions on behalf of the people.

Today's session of the Slovene LC Central Committee also discussed solidarity meetings and similar meetings which are usually commented on in a different way in other communities which means that sharp criticism levelled at certain Slovene leaders is also appearing. Ivan Dolnicar thought it was necessary to react to Svabic's statement that the Slovene leadership aspired to create a republican army. Such insinuations are irresponsible and unacceptable because they are untrue, stressed Dolnicar.

It should be stressed that it was said at today's session of the Slovene LC Central Committee that the stands which have just been taken by the Serbian LC Conference on economic reform are identical to the Slovene stands. It was therefore emphasized that the peoples and nationalities of Yugoslavia have no other democratic, developmental way out of the present crisis, than to go the way of cooperation, agreements, mutual respect, and solidarity. Therefore they must join hands in equal cooperation.

Slovene Assembly Approves Law Amendments

AU2511114188 Belgrade POLITIKA in Serbo-Croatian 23 Nov 88 p 10

[D. Damjanovic report: "Accord on Amendments Reached Without Referendum"]

[Text] Ljubljana, 22 Nov—Today, after a long discussion was held at the joint session of all three Chambers of the Slovene Assembly, the delegates agreed to approve the draft amendments to the SFRY Constitution and the Constitutional Law [ustavni zakon], and in this way confirmed their previously adopted decision not to hold a referendum.

At the same time, they adopted a special conclusion according to which all the preparations for organizing preparatory work on a new constitution of the SR of Slovenia should commence immediately.

On the basis of their views and discussion, the delegates concluded that it is necessary to incorporate in the new constitution of the SR of Slovenia a provision on the referendum as a method of deciding on changes to the Constitution. They also concluded that it would be good if there were a referendum on the proposal for the new constitution of the SR of Slovenia.

The Assembly of the SR of Slovenia concluded that, regardless of the fact that there is little time left to synchronize the federal laws with the Constitution of the SFRY, all the laws should be thoroughly and expertly prepared, and in practice main provisions should be checked in advance. This would create a solid legal basis for reforming the economic system.

In addition to this, the Assembly of the SR of Slovenia proposed that the SFRY Assembly initiate as soon as possible the procedure of reaching an accord on the federal law which is called for in Paragraph 4, Point 1 of Amendment 40 to the SFRY Constitution. The delegates of the Slovene Assembly also discussed a report on the security situation in the republic.

LCY Presidium Views Montenegro

LD2511092388 Belgrade TANJUG Domestic Service in Serbo-Croatian 1110 GMT 24 Nov 88

[Excerpts] Belgrade, 24 Nov (TANJUG)—At a session which ended late last night the LCY Central Committee Presidium discussed topical ideopolitical issues concerning the situation in and the activities of the Montenegro LC. Apart from the current situation in Kosovo and recent events in Vojvodina, this is the first time that the top party organ is discussing the situation in one of the republican LC organizations. Last night's debate will not remain isolated since the Presidium is planning soon to discuss the situation in other republican party organizations.

The discussion on the situation in the Montenegro LC proceeded from a "working paper" prepared by the Montenegro LC Central Committee Presidium on whose behalf Miljan Radovic, president of the Montenegro LC Central Committee Presidium, explained the document while Vuko Vukadinovic, president of the Montenegro Executive Council, provided certain additional explanations.

According to Miljan Radovic, the socioeconomic and political situation in Montenegro is exceptionally difficult and bleak and has recently deteriorated to dramatic proprotions as a result of a prolonged economic, social, and political crisis which has had drastic effects on Montenegro and other less developed republics and in the province of Kosovo. Taking this general view as a point of departure Radovic went on to speak in greater detail about all aspects of the socioeconomic problems facing this undeveloped republic (the fall in industrial production, the rise in unemployment, the shortage of working capital, high interest rates, the lack of regulation on foreign exchange differentials, etc). [passage omitted]

Speaking about the activities of the Montenegro LC in tackling the mounting problems which the republic has been experiencing, the president of the Montenegro LC Central Committee Presidium stressed that the organization is not completely satisfied with the results at all levels, from the Central Committee down to basic LC organizations. Although the performance so far has been influenced by objective circumstances, Radovic also listed a number of subjective weaknesses weighing heavily on the Montenegro LC: a lack of ideopolitical activity and unity in action in the LC over major issues, too much opportunism, too much vacillation, as well as the onslaught of ideas not immanent in the LC. This has had a negative effect on the activity of other sociopolitical organizations, which, as a result, have failed to make a full contribution to the efforts to overcome the economic, social, and political problems. [passage omitted]

Miljan Radovic devoted special attention to the questions of intranational relations in this republic and the attitude toward nationalism, stressing that above all responsibility lies in the struggle against Montenegrin nationalism, and thereafter also against all others which crop up in our area. A "working paper" prepared for the session in this regard says that "nationalism in Montenegro is the common denominator of all the antisocialist and anticommunist forces. The specific aspect of Montenegro lies in the fact that in one people—the Montenegrin people—two mutually exclusive nationalisms—Montenegrin and greater Serbian—appear."

The Montenegrin nationalists, this paper declares, deny links with the Serbian people and with their history and culture, have an uncritical attitude toward Montenegrin traditions, and express the idolatry of tribal cum patriarchal morals, and recently have been reviving an ethnogenic approach to the Montenegrin national question. The Montenegrin LC Central Committee Presidium assessed this viewpoint as untenable.

Greater Serbian nationalism in relation to Montenegro, this "pap" stresses, has been aggressive, especially recently. Greater Serbian nationalists deny the independent identity of the Montenegrin nation, its history and culture, and in some extreme cases it is claimed that the LC "dreamed up" and promoted the Montenegrin nation and that its affirmation is based on anti-Serbian foundations. According to assessments contained in the material, the approaches to the Montenegrin national question from greater Serbian positions have been particularly expressed in some criticism of the book "Phobia of Ethnogenesis" [Etnogenezofobija] as well as in some texts published outside Montenegro. Nationalist tones from a position of greater Serbian nationalism escalated at the recent meetings of solidarity with the Serbians and Montenegrains from Kosovo, held in Niksic and Titograd.

The division of the Yugoslav information area hampers the acquisition of an authentic and true picture of the essential problems of our republic, and in this way "current", mainly negative, problems thus obtained priority in the information media. The result of this is a lack of understanding of the measures taken by the organs in the SR of Montenegro and especially of the urgent matters, which it is true, are unpopular, but which are vital. Radovic expressed regret at that fact that all the objective assessments of the need to take such measures are not being made correctly.

This assertion by the president of the Montenegrin LC Central Committee Presidium was to some extent made specific in the "paper" for this session. Here, in fact, it is assessed that sociopolitical developments in Montenegro, and especially the October protest meetings, obtained widespread coverage in the information media outside the republic, often from unacceptable points of view. [passage omitted]

Milan Pancevski, who is "responsible" for Montenegro, said that the overall economic and social situation has had unfavorable political implications in this republic, which has led to the growth of a political consciousness among working people and citizens. He appealed that the federal organs, as well as the SFRY Assembly and FEC, take more account of the undeveloped republics and the Province of Kosovo so that the problems might be overcome as quickly and as successfully as possible. [passage omitted]

Similar thinking on the character of these discussions was also exhibited by Milan Kucan. According to him, the aim of these discussions is not only the mutual dissemination of information and familiarization with the conditions in which individual republican or provincial organisations operate, but it is from this knowledge that the activity of the LCY and its organs stems. Stating that individual parts of the LC are operating in different social, economic, political, and ideological conditions, which in fact dictate the content and character of political action, Milan Kucan asked if this has a meaning for our often formalistic thinking about the federalization of the LCY. He advocated that in these discussions, regardless of the fact that individual segments of the LCY operate in different conditions, we have to focus on what we have in common, on what is in the joint interest, and on what is united LCY policy. "And they are those

interests which legitimate us as unified parts, in other words as parts of a united LCY." As regards the activity of the LC in Montenegro, Kucan said that the LC of this republic is responsible for overcoming the situation which has arisen, but the question is raised for the LCY as to what its obligations are and what the possibilities are for helping the action of the LC in Montenegro. According to him, this is not merely a question of solidarity but also of understanding the fact that these problems must be resolved effectively if we want to remove what is impeding the implementation of the reforms.

Despite everything the Montenegrin LC has a relatively great influence, and its authority is intact even when its organizations and leaderships are exposed to criticism, Stipe Suvar said. In his view, the Montenegrin LC is to be counted—if this is a virtue today (Suvar believes that it is)—among the most disciplines parts of the LCY. In this true sense, "the Montenegrin LC has not caused the LCY, at least not recently, and nor is it causing it, any special problems. Montenegro has not had its mass national movements before—it is too small for them and it has not had the euphoria of national and similar tendencies promoting homogeneity, and it has not been the battlefield for some noticeably large-scale turmoil, which would have a destabilizing effect on the whole of the country."

Stipe Suvar went on to stress that the LCY can do a great deal more to develop the underdeveloped environments, appealing, in so doing, to the republics to encourage associated labor to establish more links with the Montenegrin economy. It is the duty of the whole of Yugoslavia to provide, not some abstract assistance along the old logic, but in the sense that work organizations and joint programs of the developed and underdeveloped areas should be linked more closely.

Referring to the latest events in Montenegro, Suvar noted that the political life in the republic has become more dynamic, and social life more democratic. In particular the sensitivity of the Montenegrin people in relation to the position of the Serbs and Montenegrins in Kosovo, exposed to the pressure of Albanian nationalism, has been manifested. In Suvar's view, specific groups who denied their Montenegrin national identity tried to exploit this sensitivity and so there were cases of tutorship and preaching, of criticizing the people by name and smearing them because they do not behave like demagogues and leaders. It was demonstrated, Suvar went on to say, that the roots of nationalism in Montenegro are tenacious.

The support expressed by the LCY Central Committee Presidium for the leadership of the LC of Montenegro less than 2 months ago was described by Stipe Suvar as correct. As far as we—as a political-executive organ of the LCY Central Committee—are concerned, we are under an obligation to behave in the same way toward other leaderships as well when they find themselves in a similar situation. Not to defend them when they are to be blamed or when they are failing their test because of their inability because that can happen to us as well, and partly does happen. [as received] We are referring to the basic principles not only of communist conduct but of the democratic rules of life, stressed the president of the LCY Central Committee Presidium.

The Presidium accepted the proposal made by Stefan Korosec that in addition to providing a summary of the discussion today, a draft of the stands and of the assessments will be drawn up and sent to the republican and provincial party leaderships and to the LCY Central Committee.

During the session last night, the LCY Central Committee draft stands on ideopolitical issues of economic reform and tasks of the LC were also laid down. The matter will be discussed during the forthcoming 19th Central Committee session. This document will be forwarded to the presidia of the LC Central and Provincial committees so that by the time the next Central Committee session is held they can make their observations and proposals to improve this important document.

Ljubljana, Pristina Rallies Assessed

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[Kosta Krajincanic commentary]

[Text] At the meeting of support to the four men sentenced for divulging military secrets, held in Ljubljana yesterday, some 5,000 people literally jumped on the constitutional changes in the country. They were even called the great constitutional (?swindle). The crowd demanded a referendum, but only, of course, in Slovenia in order to find out what the Slovene people think. What other Yugoslav peoples think was not especially important to this gathering.

One of the sentenced people, Janez Jansa, used the opportunity, which was generously given to him, to express his surprise: How is it possible that the meetings in Serbia were for the benefit of Yugoslavia, while those of Albanians in Pristina were irredentist and those in Ljubljana counterrevolutionary? Jansa's surprise does not surprise us at all. He is only a child of the community which educated him well to have this kind of reaction. In this school children are frightened by Serbia. Recently, the first man of the state of Slovenia, Janez Stanovnik, frightened by the specter of Serbia hovering over Yugoslavia, admitted to the Americans that, together with some other colleagues, he, as he said, prevented a civil war and a Serbian invasion. How can one blame Jansa when a respected citizen of the world holds the same views?

However, what could really cause surprise, a genuine, deep, and bitter surprise, were the words of Zvonimir Hrabar at the session of the Presidium of the Trade

Unions of Yugoslavia held yesterday. This official, who has until recently been the president of the Trade Unions, this experienced politician who has been courageous in the battle for new and progressive things, came up with the thesis that until recently we have had mass rallies, but that we did not call them demonstrations or branded them the way the gatherings of Albanians in Kosovo are branded now.

Hrabar does not understand why those meetings held in the summer were positive and democratic, while the current gatherings are not even given the least positive attributes when both of them have been expressing support to their leaderships. Hrabar, just like Jansa, does not understand the difference. Had Hrabar, Jansa, and all those who at present hold the same view visited Kosovo in the last few days, since they do not believe the press, radio, and television reports, they could have at least believed their own ears. In Pristina and other places in Kosovo demonstrations were held against the changes in society, against the reform of the Constitution, just as was done at the protest meeting in Ljubljana yesterday.

The political essence of the demonstrations by Albanians in Kosovo and of the meeting in Ljubljana is a resistance to a more efficient organization of the Yugoslav and Serbian states. The aim is to retain the existing relations because they best suit the national bureaucrats and power holders. Incited against Serbia, which allegedly wants to make them second class citizens, Albanian demonstrators, according to the instructions of their ideologists and organizers, shelter themselves with Tito's pictures, the Yugoslav flag, and chant support of the LC. The discipline, however, became slack at one time and something that is stronger than them slipped by, the slogan: Kosovo—Republic.

Extending support to their leadership and refusing to accept the views of the highest party organization concerning its accountability, the demonstrators in fact supported the policy of separatism and isolation which has been implemented by the Kosovo leadership for decades, regardless of occasional changes and renewals within it.

To be against changes today, at the time of dramatic moments in Yugoslav history, is equal to a counterrevolution. Citing Tito, as the protector of the Constitution, is an insolent political forgery. Tito's only dogma was that there is nothing so perfect that could not be substituted with something better.

As far as Serbia is concerned, at the rallies held during the summer it clearly demonstrated to the entire Yugoslavia and world what it fights and strives for. If this is still unclear to Jansa, Hrabar, and others, they should be consoled by the fact that their name might be chanted in the streets of Pristina or some other town in Kosovo.